

110TH CONGRESS
1ST SESSION

H. R. 2084

To reform Federal budget procedures, to impose spending safeguards, to combat waste, fraud, and abuse, to account for accurate Government agency costs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2007

Mr. HENSARLING (for himself, Mr. RYAN of Wisconsin, Mr. CAMPBELL of California, Mr. HERGER, Mr. BARTON of Texas, Mr. BILBRAY, Mr. SHADEGG, Mr. LAMBORN, Mr. BURTON of Indiana, Mr. CANTOR, Mr. GOODE, Mr. AKIN, Mr. GINGREY, Mr. POE, Mr. PITTS, Mr. PRICE of Georgia, Mrs. BLACKBURN, Mr. GARRETT of New Jersey, Mr. MACK, Mr. ROHRBACHER, Mr. BRADY of Texas, Mr. RADANOVICH, Mr. MARIO DIAZ-BALART of Florida, Mr. COLE of Oklahoma, Mr. KING of Iowa, Mr. FEENEY, Ms. FOXX, and Mr. BARRETT of South Carolina) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules, Ways and Means, Appropriations, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reform Federal budget procedures, to impose spending safeguards, to combat waste, fraud, and abuse, to account for accurate Government agency costs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Family Budget Protection Act of 2007”.

4 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

Sec. 2. Effective date.

TITLE I—A SIMPLE AND BINDING BUDGET

Subtitle A—Joint Budget Resolutions

Sec. 101. Declaration of purposes for the Budget Act.

Sec. 102. The timetable.

Sec. 103. Annual joint resolutions on the budget.

Sec. 104. Budget required before spending bills may be considered.

Sec. 105. Amendments to effectuate joint resolutions on the budget.

Subtitle B—Budgeting for Emergencies

Sec. 111. Purpose.

Sec. 112. Repeal of adjustments for emergencies.

Sec. 113. OMB emergency criteria.

Sec. 114. Development of guidelines for application of emergency definition.

Sec. 115. Reserve Fund for emergencies in President’s budget.

Sec. 116. Adjustments and Reserve Fund for emergencies in joint budget resolu-
tions.

Sec. 117. Application of section 306 to emergencies in excess of amounts in Re-
serve Fund.

Sec. 118. Up-to-date tabulations.

Sec. 119. Prohibition on amendments to emergency Reserve Fund.

Subtitle C—Biennial Budget Option

Sec. 121. Effective date.

Sec. 122. Revision of timetable.

Sec. 123. Amendments to the Congressional Budget and Impoundment Control
Act of 1974.

Sec. 124. Amendments to rules of the House of Representatives.

Sec. 125. Amendments to title 31, United States Code.

Sec. 126. Two-year appropriations; title and style of appropriation Acts.

Sec. 127. Multiyear authorizations.

Sec. 128. Government strategic and performance plans on a biennial basis.

Sec. 129. Biennial appropriation bills.

Sec. 130. Assistance by Federal agencies to standing committees of the Senate
and the House of Representatives.

Subtitle D—Prevention of Government Shutdown

Sec. 141. Amendment to title 31.

Subtitle E—The Baseline

Sec. 151. Elimination of inflation adjustment.

- Sec. 152. The President's budget.
- Sec. 153. The Congressional budget.
- Sec. 154. Congressional Budget Office reports to committees.
- Sec. 155. Treatment of emergencies.

TITLE II—PUTTING A LID ON THE FEDERAL BUDGET

Subtitle A—Spending Safeguards on the Growth of Entitlements and Mandatories

- Sec. 201. Spending caps on growth of entitlements and mandatories.
- Sec. 202. Exempt programs and activities.
- Sec. 203. Exceptions, limitations, and special rules.
- Sec. 204. Point of order.
- Sec. 205. Technical and conforming amendments.
- Sec. 206. Establishment of budget protection mandatory Account.

Subtitle B—Discretionary Spending Limits

- Sec. 211. Enforcing discretionary spending limits.
- Sec. 212. Establishment of budget protection discretionary Account.
- Sec. 213. Revenue adjustment.

Subtitle C—Long-Term Unfunded Obligations

- Sec. 221. Long-term unfunded obligations.
- Sec. 222. Points of order.
- Sec. 223. Social Security.

TITLE III—COMBATING WASTE, FRAUD, AND ABUSE

Subtitle A—Sunsetting

- Sec. 301. Reauthorization of discretionary programs and unearned entitlements.
- Sec. 302. Point of order.
- Sec. 303. Decennial sunsetting.

Subtitle B—Legislative Line-Item Veto

- Sec. 311. Legislative line-item veto.
- Sec. 312. Technical and conforming amendments.
- Sec. 313. Sense of Congress on abuse of proposed cancellations.
- Sec. 314. Amending House rules to require that rescission bills always be considered under open rules.

Subtitle C—Commission to Eliminate Waste, Fraud, and Abuse

- Sec. 331. Establishment of Commission.
- Sec. 332. Duties of the Commission.
- Sec. 333. Powers of the Commission.
- Sec. 334. Commission personnel matters.
- Sec. 335. Termination of the Commission.
- Sec. 336. Congressional consideration of reform proposals.
- Sec. 337. Authorization of appropriations.

TITLE IV—TRUTH IN ACCOUNTING

Subtitle A—Accrual Funding of Pensions and Retirement Pay for Federal Employees and Uniformed Services Personnel

- Sec. 401. Civil Service Retirement System.
- Sec. 402. Central Intelligence Agency Retirement and Disability System.
- Sec. 403. Foreign Service Retirement and Disability System.
- Sec. 404. Public Health Service Commissioned Corps Retirement System.
- Sec. 405. National Oceanic and Atmospheric Administration Commissioned Officer Corps Retirement System.
- Sec. 406. Coast Guard Military Retirement System.

Subtitle B—Accrual Funding of Post-Retirement Health Benefits Costs for Federal Employees

- Sec. 411. Federal employees health benefits fund.
- Sec. 412. Funding Uniformed Services health benefits for all retirees.
- Sec. 413. Effective date.

Subtitle C—Earmark Transparency

- Sec. 421. Prohibition on obligation of funds for earmarks included only in Congressional reports.
- Sec. 422. Definitions.

Subtitle D—Public Debt Limit Reform

- Sec. 431. Limit on public debt.
- Sec. 432. Repeal of the Gephardt Rule.

Subtitle E—Risk-Assumed Budgeting

- Sec. 441. Federal insurance programs.

TITLE V—MAINTAINING A COMMITMENT TO THE FAMILY BUDGET

Subtitle A—Further Enforcement Amendments

- Sec. 501. Super-majority points of order in the House of Representatives and the Senate.
- Sec. 502. Budget resolution enforcement point of order.
- Sec. 503. Point of order waiver protection.

Subtitle B—The Byrd Rule

- Sec. 511. Limitation on Byrd Rule.

Subtitle C—Treatment of Extraneous Appropriations in Omnibus Appropriation Measures

- Sec. 521. Treatment of extraneous appropriations.

1 SEC. 2. EFFECTIVE DATE.

- 2** Except as otherwise specifically provided, this Act
- 3** and the amendments made by this Act shall become effec-

1 tive on the date of enactment of this Act and shall apply
 2 with respect to fiscal years beginning after September 30,
 3 2008.

4 **TITLE I—A SIMPLE AND BINDING** 5 **BUDGET**

6 **Subtitle A—Joint Budget** 7 **Resolutions**

8 **SEC. 101. DECLARATION OF PURPOSES FOR THE BUDGET** 9 **ACT.**

10 Paragraphs (1) and (2) of section 2 of the Congres-
 11 sional Budget and Impoundment Control Act of 1974 are
 12 amended to read as follows:

13 “(1) to assure effective control over the budg-
 14 etary process;

15 “(2) to facilitate the determination each year of
 16 the appropriate level of Federal revenues and ex-
 17 penditures by the Congress and the President;”.

18 **SEC. 102. THE TIMETABLE.**

19 Section 300 of the Congressional Budget Act of 1974
 20 is amended to read as follows:

21 “TIMETABLE

22 “SEC. 300. The timetable with respect to the congres-
 23 sional budget process for any fiscal year is as follows:

“On or before:

Action to be completed:

First Monday in February President submits his budget

“On or before:	Action to be completed:
February 15	Congressional Budget Office submits report to Budget Committees
Not later than 6 weeks after President submits budget.	Committees submit views and estimates to Budget Committees
April 1	Budget Committees report joint resolution on the budget
April 15	Congress completes action on joint resolution on the budget

“On or before:	Action to be completed:
June 10	House Appropriations Committee reports last annual appropriation bill
June 15	Congress completes action on reconciliation legislation
June 30	House completes action on annual appropriation bills
October 1	Fiscal year begins”.

1 SEC. 103. ANNUAL JOINT RESOLUTIONS ON THE BUDGET.

2 (a) CONTENT OF ANNUAL JOINT RESOLUTIONS ON
3 THE BUDGET.—Section 301(a)(4) of the Congressional
4 Budget Act of 1974 is amended to read as follows:

5 “(4) subtotals of new budget authority and out-
6 lays for nondefense discretionary spending, defense
7 discretionary spending, direct spending (excluding
8 interest), and interest; and for emergencies (for the
9 reserve fund in section 316(b) and for military oper-
10 ations in section 316(c));”.

11 (b) ADDITIONAL MATTERS IN JOINT RESOLUTION.—
12 Section 301(b) of the Congressional Budget Act of 1974
13 is amended as follows:

14 (1) Strike paragraphs (1), (4), and (6) through
15 (9).

1 (2) Redesignate paragraphs (2), (3), and (5)
2 accordingly, insert “and” after the new paragraph
3 (1), and in the new paragraph (2) strike the semi-
4 colon and insert a period.

5 (c) REQUIRED CONTENTS OF REPORT.—Section
6 301(e)(2) of the Congressional Budget Act of 1974 is
7 amended as follows:

8 (1) Redesignate subparagraphs (A), (B), (C),
9 (D), (E), and (F) as subparagraphs (B), (C), (E),
10 (F), (H), and (I), respectively.

11 (2) In subparagraph (C) (as redesignated),
12 strike “mandatory” and insert “direct spending”.

13 (3) After subparagraph (C) (as redesignated),
14 insert the following new subparagraph:

15 “(D) a measure, as a percentage of gross
16 domestic product, of total outlays, total Federal
17 revenues, the surplus or deficit, and new out-
18 lays for nondefense discretionary spending, de-
19 fense spending, and direct spending as set forth
20 in such resolution;”.

21 (4) After subparagraph (F) (as redesignated),
22 insert the following new subparagraph:

23 “(G) if the joint resolution on the budget
24 includes any allocation to a committee other
25 than the Committee on Appropriations of levels

1 in excess of current law levels, a justification
2 for not subjecting any program, project, or ac-
3 tivity (for which the allocation is made) to an-
4 nual discretionary appropriations;”.

5 (d) ADDITIONAL CONTENTS OF REPORT.—Section
6 301(e)(3) of the Congressional Budget Act of 1974 is
7 amended as follows:

8 (1) Redesignate subparagraphs (A) and (B) as
9 subparagraphs (B) and (C), respectively, strike sub-
10 paragraphs (C) and (D), and redesignate subpara-
11 graph (E) as subparagraph (D) and strike the pe-
12 riod and insert “; and”.

13 (2) Before subparagraph (B), insert the fol-
14 lowing new subparagraph:

15 “(A) new budget authority and outlays for
16 each major functional category, based on alloca-
17 tions of the total levels set forth pursuant to
18 subsection (a)(1);”.

19 (3) At the end, add the following new subpara-
20 graph:

21 “(E) set forth, if required by subsection
22 (f), the calendar year in which, in the opinion
23 of the Congress, the goals for reducing unem-
24 ployment set forth in section 4(b) of the Em-
25 ployment Act of 1946 should be achieved.”.

1 (e) PRESIDENT’S BUDGET SUBMISSION TO THE CON-
2 GRESS.—(1) The first two sentences of section 1105(a)
3 of title 31, United States Code, are amended to read as
4 follows: “On or after the first Monday in January but not
5 later than the first Monday in February of each year the
6 President shall submit a budget of the United States Gov-
7 ernment for the following fiscal year which shall set forth
8 the following levels:

9 “(A) totals of new budget authority and out-
10 lays;

11 “(B) total Federal revenues and the amount, if
12 any, by which the aggregate level of Federal reve-
13 nues should be increased or decreased by bills and
14 resolutions to be reported by the appropriate com-
15 mittees;

16 “(C) the surplus or deficit in the budget;

17 “(D) subtotals of new budget authority and
18 outlays for nondefense discretionary spending, de-
19 fense discretionary spending, direct spending (ex-
20 cluding interest), and interest, and for emergencies
21 (for the reserve fund in section 316(b) and for mili-
22 tary operations in section 316(c)); and

23 “(E) the public debt.

24 Each budget submission shall include a budget message
25 and summary and supporting information and, as a sepa-

1 rately delineated statement, the levels requires in the pre-
2 ceding sentence for at least each of the 4 ensuing fiscal
3 years.”.

4 (2) The third sentence of section 1105(a) of title 31,
5 United States Code, is amended by inserting “submission”
6 after “budget”.

7 (f) LIMITATION ON CONTENTS OF BUDGET RESOLU-
8 TIONS.—Section 305 of the Congressional Budget Act of
9 1974 is amended by adding at the end the following new
10 subsection:

11 “(e) LIMITATION ON CONTENTS.—(1) It shall not be
12 in order in the House of Representatives or in the Senate
13 to consider any joint resolution on the budget or any
14 amendment thereto or conference report thereon that con-
15 tains any matter referred to in paragraph (2).

16 “(2) Any joint resolution on the budget or any
17 amendment thereto or conference report thereon that con-
18 tains any matter not permitted in section 301(a) or (b)
19 shall not be treated in the House of Representatives or
20 the Senate as a budget resolution under subsection (a) or
21 (b) or as a conference report on a budget resolution under
22 subsection (c) of this section.”.

1 **SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS**
2 **MAY BE CONSIDERED.**

3 (a) AMENDMENTS TO SECTION 302.—Section 302 of
4 the Congressional Budget Act of 1974 is amended—

5 (1) in subsection (a), by striking paragraph (5);

6 and

7 (2) in subsection (f)(1)(A), by striking “as re-
8 ported”.

9 (b) AMENDMENTS TO SECTION 303 AND CON-
10 FORMING AMENDMENTS.—(1) Section 303 of the Con-
11 gressional Budget Act of 1974 is amended by striking “(a)
12 IN GENERAL.—”, by striking “has been agreed to” and
13 inserting “takes effect in subsection (a), and by striking
14 subsections (b) and (c); and

15 (2) by striking its section heading and inserting the
16 following new section heading: “CONSIDERATION OF
17 BUDGET-RELATED LEGISLATION BEFORE BUDGET BE-
18 COMES LAW”.

19 (c) ADDITIONAL AMENDMENTS.—(1) Section
20 302(g)(1) of the Congressional Budget Act of 1974 is
21 amended by striking “and, after April 15, section 303”.

22 (2)(A) Section 904(c)(1) of the Congressional Budget
23 Act of 1974 is amended by inserting “303,” before
24 “305(b)(2),”.

1 (B) Section 904(d)(2) of the Congressional Budget
2 Act of 1974 is amended by inserting “303,” before
3 “305(b)(2),”.

4 (d) EXPEDITED PROCEDURES UPON VETO OF JOINT
5 RESOLUTION ON THE BUDGET.—(1) Title III of the Con-
6 gressional Budget Act of 1974 (as amended by section
7 116) is further amended by adding after section 316 the
8 following new section:

9 “EXPEDITED PROCEDURES UPON VETO OF JOINT
10 RESOLUTION ON THE BUDGET
11 “SEC. 317. (a) SPECIAL RULE.—If the President ve-
12 toes a joint resolution on the budget for a fiscal year, the
13 majority leader of the House of Representatives or Senate
14 (or his designee) may introduce a concurrent resolution
15 on the budget or joint resolution on the budget for such
16 fiscal year. If the Committee on the Budget of either
17 House fails to report such concurrent or joint resolution
18 referred to it within five calendar days (excluding Satur-
19 days, Sundays, or legal holidays except when that House
20 of Congress is in session) after the date of such referral,
21 the committee shall be automatically discharged from fur-
22 ther consideration of such resolution and such resolution
23 shall be placed on the appropriate calendar.
24 “(b) PROCEDURE IN THE HOUSE OF REPRESENTA-
25 TIVES AND THE SENATE.—

1 “(1) Except as provided in paragraph (2), the
2 provisions of section 305 for the consideration in the
3 House of Representatives and in the Senate of joint
4 resolutions on the budget and conference reports
5 thereon shall also apply to the consideration of con-
6 current resolutions on the budget introduced under
7 subsection (a) and conference reports thereon.

8 “(2) Debate in the Senate on any concurrent
9 resolution on the budget or joint resolution on the
10 budget introduced under subsection (a), and all
11 amendments thereto and debatable motions and ap-
12 peals in connection therewith, shall be limited to not
13 more than 10 hours and in the House such debate
14 shall be limited to not more than 3 hours.

15 “(c) CONTENTS OF CONCURRENT RESOLUTIONS.—
16 Any concurrent resolution on the budget introduced under
17 subsection (a) shall be in compliance with section 301.

18 “(d) EFFECT OF CONCURRENT RESOLUTION ON THE
19 BUDGET.—Notwithstanding any other provision of this
20 title, whenever a concurrent resolution on the budget de-
21 scribed in subsection (a) is agreed to, then the aggregates,
22 allocations, and reconciliation directives (if any) contained
23 in the report accompanying such concurrent resolution or
24 in such concurrent resolution shall be considered to be the
25 aggregates, allocations, and reconciliation directives for all

1 purposes of sections 302, 303, and 311 for the applicable
 2 fiscal years and such concurrent resolution shall be
 3 deemed to be a joint resolution for all purposes of this
 4 title and the Rules of the House of Representatives and
 5 any reference to the date of enactment of a joint resolution
 6 on the budget shall be deemed to be a reference to the
 7 date agreed to when applied to such concurrent resolu-
 8 tion.”.

9 (2) The table of contents set forth in section 1(b) of
 10 the Congressional Budget and Impoundment Control Act
 11 of 1974 is amended by inserting after the item relating
 12 to section 316 the following new item:

“Sec. 317. Expedited procedures upon veto of joint resolution on the budget.”.

13 **SEC. 105. AMENDMENTS TO EFFECTUATE JOINT RESOLU-**
 14 **TIONS ON THE BUDGET.**

15 (a) DEFINITION.—Paragraph (4) of section 3 of the
 16 Congressional Budget Act of 1974 is amended to read as
 17 follows:

18 “(4) the term ‘joint resolution on the budget’
 19 means—

20 “(A) a joint resolution setting forth the
 21 budget for the United States Government for a
 22 fiscal year as provided in section 301; and

23 “(B) any other joint resolution revising the
 24 budget for the United States Government for a
 25 fiscal year as described in section 304.”.

1 (b) ADDITIONAL AMENDMENTS TO THE CONGRES-
2 SIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF
3 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310,
4 311, 312, 314, 405, and 904 of the Congressional Budget
5 Act of 1974 (2 U.S.C. 621 et seq.) are amended by strik-
6 ing “concurrent” each place it appears and inserting
7 “joint”.

8 (B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and
9 310(d)(1) of the Congressional Budget Act of 1974 are
10 amended by striking “most recently agreed to concurrent
11 resolution on the budget” each place it occurs and insert-
12 ing “most recently enacted joint resolution on the budget
13 or agreed to concurrent resolution on the budget (as appli-
14 cable)”.

15 (ii) The section heading of section 301 is amended
16 by striking “adoption of concurrent resolution” and insert-
17 ing “joint resolutions”; and

18 (iii) Section 304 of such Act is amended to read as
19 follows:

20 “PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS

21 “SEC. 304. At any time after the joint resolution on
22 the budget for a fiscal year has been enacted pursuant
23 to section 301, and before the end of such fiscal year, the
24 two Houses and the President may enact a joint resolution
25 on the budget which revises or reaffirms the joint resolu-

tion on the budget for such fiscal year most recently enacted.”.

(C) Sections 302, 303, 310, and 311, of such Act are amended by striking “agreed to” each place it appears and by inserting “enacted”.

(2)(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “concurrent” each place it appears and by inserting “joint”.

(B) The table of contents set forth in section 1(b) of such Act is amended—

(i) in the item relating to section 301, by striking “adoption of concurrent resolution” and inserting “joint resolutions”;

(ii) by striking the item relating to section 303 and inserting the following:

“Sec. 303. Consideration of budget-related legislation before budget becomes law.”;

(iii) by striking “concurrent” and inserting “joint” in the item relating to section 305.

(c) CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.—Clauses 1(d)(1), 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause 10 of rule XVIII, clause 10 of rule XX, and clauses 7 and 10 of rule XXI of the Rules of the House of Rep-

1 representatives are amended by striking “concurrent” each
2 place it appears and inserting “joint”.

3 (d) CONFORMING AMENDMENTS TO THE BALANCED
4 BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF
5 1985.—Section 258C(b)(1) of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 (2 U.S.C.
7 907d(b)(1)) is amended by striking “concurrent” and in-
8 serting “joint”.

9 (e) CONFORMING AMENDMENTS TO SECTION 310
10 REGARDING RECONCILIATION DIRECTIVES.—(1) The side
11 heading of section 310(a) of the Congressional Budget Act
12 of 1974 (as amended by section 105(b)) is further amend-
13 ed by inserting “JOINT EXPLANATORY STATEMENT AC-
14 COMPANYING CONFERENCE REPORT ON” before “JOINT”.

15 (2) Section 310(a) of such Act is amended by striking
16 “A” and inserting “The joint explanatory statement ac-
17 companying the conference report on a”.

18 (3) The first sentence of section 310(b) of such Act
19 is amended by striking “If” and inserting “If the joint
20 explanatory statement accompanying the conference re-
21 port on”.

22 (4) Section 310(c)(1) of such Act is amended by in-
23 serting “the joint explanatory statement accompanying
24 the conference report on” after “pursuant to”.

1 (f) CONFORMING AMENDMENTS TO SECTION 3 RE-
 2 GARDING DIRECT SPENDING.—Section 3 of the Congres-
 3 sional Budget and Impoundment Control Act of 1974 is
 4 amended by adding at the end the following new para-
 5 graph:

6 “(11) The term ‘direct spending’ has the mean-
 7 ing given to such term in section 250(c)(8) of the
 8 Balanced Budget and Emergency Deficit Control
 9 Act of 1985.’”.

10 **Subtitle B—Budgeting for** 11 **Emergencies**

12 **SEC. 111. PURPOSE.**

13 The purposes of this subtitle are to—

14 (1) develop budgetary and fiscal procedures for
 15 emergencies;

16 (2) subject spending for emergencies to budg-
 17 etary procedures and controls; and

18 (3) establish criteria for determining compliance
 19 with emergency requirements.

20 **SEC. 112. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

21 (a) ELIMINATION OF EMERGENCY DESIGNATION.—
 22 Sections 251(b)(2)(A), 252(e), and 252(d)(4)(B) of the
 23 Balanced Budget and Emergency Deficit Control Act of
 24 1985 are repealed.

1 (b) ELIMINATION OF EMERGENCY ADJUSTMENTS.—
 2 Section 314(b) of the Congressional Budget Act of 1974
 3 is amended by striking paragraph (1) and by redesignig-
 4 nating paragraphs (2) through (5) as paragraphs (1)
 5 through (4), respectively.

6 (c) CONFORMING AMENDMENT.—Clause 2 of rule
 7 XXI of the Rules of the House of Representatives is
 8 amended by repealing paragraph (e) and by redesignating
 9 paragraph (f) as paragraph (e).

10 **SEC. 113. OMB EMERGENCY CRITERIA.**

11 (a) DEFINITION OF EMERGENCY.—Section 3 of the
 12 Congressional Budget and Impoundment Control Act of
 13 1974 (as amended by section 105(e)) is further amended
 14 by adding at the end the following new paragraph:

15 “(12)(A) The term ‘emergency’ means a situa-
 16 tion that—

17 “(i) requires new budget authority and
 18 outlays (or new budget authority and the out-
 19 lays flowing therefrom) for the prevention or
 20 mitigation of, or response to, loss of life or
 21 property, or a threat to national security; and

22 “(ii) is unanticipated.

23 “(B) As used in subparagraph (A), the term
 24 ‘unanticipated’ means that the situation is—

9 (b) CONFORMING AMENDMENT.—The term “emer-
10 gency” has the meaning given to such term in section 3
11 of the Congressional Budget and Impoundment Control
12 Act of 1974.”.

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(12) of the Congressional Budget and Impoundment Control Act of 1974.

1 **SEC. 115. RESERVE FUND FOR EMERGENCIES IN PRESI-**
 2 **DENT'S BUDGET.**

3 Section 1105(f) of title 31, United States Code is
 4 amended by adding at the end the following new sen-
 5 tences: “Such budget submission shall also comply with
 6 the requirements of subsections (b) and (c) of section 316
 7 of the Congressional Budget Act of 1974 and, in the case
 8 of any budget authority requested for an emergency, such
 9 submission shall include a detailed justification of why
 10 such emergency is an emergency within the meaning of
 11 section 3(12) of the Congressional Budget Act of 1974.”.

12 **SEC. 116. ADJUSTMENTS AND RESERVE FUND FOR EMER-**
 13 **GENCIES IN JOINT BUDGET RESOLUTIONS.**

14 (a) EMERGENCIES.—Title III of the Congressional
 15 Budget Act of 1974 is amended by adding at the end the
 16 following new section:

17 “EMERGENCIES

18 “SEC. 316. (a) ADJUSTMENTS.—

19 “(1) IN GENERAL.—After the reporting of a bill
 20 or joint resolution or the submission of a conference
 21 report thereon that provides budget authority for
 22 any emergency as identified pursuant to subsection
 23 (d) that is not covered by subsection (c)—

24 “(A) the chairman of the Committee on
 25 the Budget of the House of Representatives or
 26 the Senate shall determine and certify, pursu-

1 ant to the guidelines referred to in section 114
2 of the Family Budget Protection Act of 2007,
3 the portion (if any) of the amount so specified
4 that is for an emergency within the meaning of
5 section 3(12); and

6 “(B) such chairman shall make the adjust-
7 ment set forth in paragraph (2) for the amount
8 of new budget authority (or outlays) in that
9 measure and the outlays flowing from that
10 budget authority.

11 “(2) MATTERS TO BE ADJUSTED.—The adjust-
12 ments referred to in paragraph (1) are to be made
13 to the allocations made pursuant to the appropriate
14 joint resolution on the budget pursuant to section
15 302(a) and shall be in an amount not to exceed the
16 amount reserved for emergencies pursuant to the re-
17 quirements of subsection (b).

18 “(b) RESERVE FUND FOR NONMILITARY EMER-
19 GENCIES.—The amount set forth in the reserve fund for
20 emergencies for budget authority and outlays for a fiscal
21 year pursuant to section 301(a)(4) shall equal—

22 “(1) the average of the enacted levels of budget
23 authority for emergencies (other than those covered
24 by subsection (c)) in the 5 fiscal years preceding the
25 current year; and

1 “(2) the average of the levels of outlays for
2 emergencies in the 5 fiscal years preceding the cur-
3 rent year flowing from the budget authority referred
4 to in paragraph (1), but only in the fiscal year for
5 which such budget authority first becomes available
6 for obligation.

7 “(c) TREATMENT OF EMERGENCIES TO FUND CER-
8 TAIN MILITARY OPERATIONS.—Whenever the Committee
9 on Appropriations reports any bill or joint resolution that
10 provides budget authority for any emergency that is a
11 threat to national security and the funding of which car-
12 ries out a military operation authorized by a declaration
13 of war or a joint resolution authorizing the use of military
14 force (or economic assistance funding in furtherance of
15 such operation) and the report accompanying that bill or
16 joint resolution, pursuant to subsection (d), identifies any
17 provision that increases outlays or provides budget author-
18 ity (and the outlays flowing therefrom) for such emer-
19 gency, the enactment of which would cause the total
20 amount of budget authority or outlays provided for emer-
21 gencies for the budget year in the joint resolution on the
22 budget (pursuant to section 301(a)(4)) to be exceeded:

23 “(1) Such bill or joint resolution shall be re-
24 ferred to the Committee on the Budget of the House
25 or the Senate, as the case may be, with instructions

1 to report it without amendment, other than that
2 specified in paragraph (2), within 5 legislative days
3 of the day in which it is reported from the origi-
4 nating committee. If the Committee on the Budget
5 of either House fails to report a bill or joint resolu-
6 tion referred to it under this subparagraph within
7 such 5-day period, the committee shall be automati-
8 cally discharged from further consideration of such
9 bill or joint resolution and such bill or joint resolu-
10 tion shall be placed on the appropriate calendar.

11 “(2) An amendment to such a bill or joint reso-
12 lution referred to in this subsection shall only consist
13 of an exemption from section 251 of the Balanced
14 Budget and Emergency Deficit Control Act of 1985
15 of all or any part of the provisions that provide
16 budget authority (and the outlays flowing therefrom)
17 for such emergency if the committee determines,
18 pursuant to the guidelines referred to in section 114
19 of the Family Budget Protection Act of 2007, that
20 such budget authority is for an emergency within
21 the meaning of section 3(12).

22 “(3) If such a bill or joint resolution is reported
23 with an amendment specified in paragraph (2) by
24 the Committee on the Budget of the House of Rep-
25 resentatives or the Senate, then the budget authority

1 and resulting outlays that are the subject of such
2 amendment shall not be included in any determina-
3 tions under section 302(f) or 311(a) for any bill,
4 joint resolution, amendment, motion, or conference
5 report.

6 “(d) COMMITTEE NOTIFICATION OF EMERGENCY
7 LEGISLATION.—Whenever the Committee on Appropria-
8 tions or any other committee of either House (including
9 a committee of conference) reports any bill or joint resolu-
10 tion that provides budget authority for any emergency, the
11 report accompanying that bill or joint resolution (or the
12 joint explanatory statement of managers in the case of a
13 conference report on any such bill or joint resolution) shall
14 identify all provisions that provide budget authority and
15 the outlays flowing therefrom for such emergency and in-
16 clude a statement of the reasons why such budget author-
17 ity meets the definition of an emergency pursuant to the
18 guidelines referred to in section 114 of the Family Budget
19 Protection Act of 2007.”.

20 (b) CONFORMING AMENDMENT.—The table of con-
21 tents set forth in section 1(b) of the Congressional Budget
22 and Impoundment Control Act of 1974 is amended by in-
23 serting after the item relating to section 315 the following
24 new item:

“Sec. 316. Emergencies.”.

1 **SEC. 117. APPLICATION OF SECTION 306 TO EMERGENCIES**
2 **IN EXCESS OF AMOUNTS IN RESERVE FUND.**

3 Section 306 of the Congressional Budget Act of 1974
4 is amended by inserting at the end the following new sen-
5 tence: “No amendment reported by the Committee on the
6 Budget (or from the consideration of which such com-
7 mittee has been discharged) pursuant to section 316(c)
8 may be amended.”.

9 **SEC. 118. UP-TO-DATE TABULATIONS.**

10 Section 308(b)(2) of the Congressional Budget Act
11 of 1974 is amended by striking “and” at the end of sub-
12 paragraph (B), by striking the period at the end of sub-
13 paragraph (C) and inserting “; and”, and by adding at
14 the end the following new subparagraph:

15 “(D) shall include an up-to-date tabulation
16 of amounts remaining in the reserve fund for
17 emergencies.”.

18 **SEC. 119. PROHIBITION ON AMENDMENTS TO EMERGENCY**
19 **RESERVE FUND.**

20 (a) POINT OF ORDER.—Section 305 of the Congres-
21 sional Budget Act of 1974 (as amended by section 103(f))
22 is further amended by adding at the end the following new
23 subsection:

24 “(f) POINT OF ORDER REGARDING EMERGENCY RE-
25 SERVE FUND.—It shall not be in order in the House of
26 Representatives or in the Senate to consider an amend-

1 ment to a joint resolution on the budget which changes
 2 the amount of budget authority and outlays set forth in
 3 section 301(a)(4) for emergency reserve fund.”.

4 (b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1)
 5 of the Congressional Budget Act of 1974 is amended by
 6 inserting “305(e), 305(f),” after “305(c)(4),”.

7 (2) Section 904(d)(2) of the Congressional Budget
 8 Act of 1974 is amended by inserting “305(e), 305(f),”
 9 after “305(c)(4),”.

10 **Subtitle C—Biennial Budget** 11 **Option**

12 **SEC. 121. EFFECTIVE DATE.**

13 If—

14 (1) as part of the President’s budget submis-
 15 sion under section 1105(a) of title 31, United States
 16 Code, during the first session of any Congress, the
 17 President includes a request that the joint resolution
 18 on the budget that will be considered during the first
 19 session of the next Congress be for a biennium con-
 20 sisting of two consecutive fiscal years; and

21 (2) the joint resolution on the budget for the
 22 fiscal year to which the President’s submission re-
 23 lates contains a provision stating that the joint reso-
 24 lution on the budget that will be considered during

1 the first session of the next Congress shall be for a
 2 biennium consisting of two consecutive fiscal years;
 3 then the provisions of this subtitle shall take effect on Jan-
 4 uary 1 of the calendar year in which that next Congress
 5 commences and apply to that Congress and each Congress
 6 thereafter.

7 **SEC. 122. REVISION OF TIMETABLE.**

8 Section 300 of the Congressional Budget Act of 1974
 9 (2 U.S.C. 631) is amended to read as follows:

10 “TIMETABLE

11 “SEC. 300. (a) IN GENERAL.—Except as provided by
 12 subsection (b), the timetable with respect to the congres-
 13 sional budget process for any Congress (beginning with
 14 the One Hundred Twelfth Congress or a subsequent Con-
 15 gress, as applicable) is as follows:

“On or before:	First session action to be com- pleted:
First Monday in February	President submits budget rec- ommendations
February 15	Congressional Budget Office submits report to Budget Committees
Not later than 6 weeks after budget submission.	Committees submit views and esti- mates to Budget Committees
April 1	Budget Committees report joint reso- lution on the biennial budget
May 15	Congress completes action on joint res- olution on the biennial budget
May 15	Biennial appropriation bills may be considered in the House
June 10	House Appropriations Committee re- ports last biennial appropriation bill
June 30	House completes action on biennial ap- propriation bills

“On or before:	First session action to be completed:
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October 1	Biennium begins
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“On or before:	Second session action to be completed:
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February 15	President submits budget review
Not later than 6 weeks after President submits budget review.	Congressional Budget Office submits report to Budget Committees
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium

1 “(b) SPECIAL RULE.—In the case of any first session
2 of Congress that begins in any year during which the term
3 of a President (except a President who succeeds himself)
4 begins, the following dates shall supersede those set forth
5 in subsection (a):

“On or before:	First session action to be completed:
-----------------------	--

First Monday in April	President submits budget recommendations
April 20	Committees submit views and estimates to Budget Committees
May 15	Budget Committees report joint resolution on the biennial budget
June 1	Congress completes action on joint resolution on the biennial budget
June 1	Biennial appropriation bills may be considered in the House
July 1	House Appropriations Committee reports last biennial appropriation bill
July 20	House completes action on biennial appropriation bills.
October 1	Biennium begins”.

1 **SEC. 123. AMENDMENTS TO THE CONGRESSIONAL BUDGET**
2 **AND IMPOUNDMENT CONTROL ACT OF 1974.**

3 (a) DECLARATION OF PURPOSE.—Section 2(2) of the
4 Congressional Budget and Impoundment Control Act of
5 1974 (2 U.S.C. 621(2)) is amended by striking “each
6 year” and inserting “biennially”.

7 (b) DEFINITIONS.—

8 (1) BUDGET RESOLUTION.—Section 3(4) of
9 such Act (2 U.S.C. 622(4)) is amended by striking
10 “fiscal year” each place it appears and inserting “bi-
11 ennium”.

12 (2) BIENNIUM.—Section 3 of such Act (2
13 U.S.C. 622) (as amended by section 111(a)) is fur-
14 ther amended by adding at the end the following
15 new paragraph:

16 “(13) The term ‘biennium’ means the period of
17 2 consecutive fiscal years beginning on October 1 of
18 any odd-numbered year.”.

19 (c) BIENNIAL JOINT RESOLUTION ON THE BUDG-
20 ET.—

21 (1) CONTENTS OF RESOLUTION.—Section
22 301(a) of such Act (2 U.S.C. 632(a)) is amended—

23 (A) in the matter preceding paragraph (1)

24 by—

1 (i) striking “April 15 of each year”
2 and inserting “May 15 of each odd-num-
3 bered year”;

4 (ii) striking “the fiscal year beginning
5 on October 1 of such year” the first place
6 it appears and inserting “the biennium be-
7 ginning on October 1 of such year”;

8 (iii) striking “the fiscal year beginning
9 on October 1 of such year” the second
10 place it appears and inserting “each fiscal
11 year in such period”; and

12 (iv) striking “each of the four ensuing
13 fiscal years” and inserting “each fiscal
14 year in the next 2 bienniums”;

15 (B) in paragraph (6), by striking “for the
16 fiscal year” and inserting “for each fiscal year
17 in the biennium”; and

18 (C) in paragraph (7), by striking “for the
19 fiscal year” and inserting “for each fiscal year
20 in the biennium”.

21 (2) ADDITIONAL MATTERS.—Section 301(b) of
22 such Act (2 U.S.C. 632(b)) is amended—

23 (A) in paragraph (3), by striking “for such
24 fiscal year” and inserting “for either fiscal year
25 in such biennium”; and

1 (B) in paragraph (7), by striking “for the
2 first fiscal year” and inserting “for each fiscal
3 year in the biennium”.

4 (3) VIEWS OF OTHER COMMITTEES.—Section
5 301(d) of such Act (2 U.S.C. 632(d)) is amended by
6 inserting “(or, if applicable, as provided by section
7 300(b))” after “United States Code”.

8 (4) HEARINGS.—Section 301(e)(1) of such Act
9 (2 U.S.C. 632(e)) is amended by—

10 (A) striking “fiscal year” and inserting
11 “biennium”; and

12 (B) inserting after the second sentence the
13 following: “On or before April 1 of each odd-
14 numbered year (or, if applicable, as provided by
15 section 300(b)), the Committee on the Budget
16 of each House shall report to its House the
17 joint resolution on the budget referred to in
18 subsection (a) for the biennium beginning on
19 October 1 of that year.”.

20 (5) GOALS FOR REDUCING UNEMPLOYMENT.—
21 Section 301(f) of such Act (2 U.S.C. 632(f)) is
22 amended by striking “fiscal year” each place it ap-
23 pears and inserting “biennium”.

24 (6) ECONOMIC ASSUMPTIONS.—Section
25 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is

1 amended by striking “for a fiscal year” and insert-
2 ing “for a biennium”.

3 (7) SECTION HEADING.—The section heading of
4 section 301 of such Act is amended by striking “AN-
5 NUAL” and inserting “BIENNIAL”.

6 (8) TABLE OF CONTENTS.—The item relating
7 to section 301 in the table of contents set forth in
8 section 1(b) of such Act is amended by striking “An-
9 nual” and inserting “Biennial”.

10 (d) COMMITTEE ALLOCATIONS.—Section 302 of such
11 Act (2 U.S.C. 633) is amended—

12 (1) in subsection (a)(1) by—

13 (A) striking “for the first fiscal year of the
14 resolution,” and inserting “for each fiscal year
15 in the biennium,”;

16 (B) striking “for that period of fiscal
17 years” and inserting “for all fiscal years cov-
18 ered by the resolution”; and

19 (C) striking “for the fiscal year of that
20 resolution” and inserting “for each fiscal year
21 in the biennium”;

22 (2) in subsection (f)(1), by striking “for a fiscal
23 year” and inserting “for a biennium”;

1 (3) in subsection (f)(1), by striking “first fiscal
2 year” and inserting “either fiscal year of the bien-
3 nium”;

4 (4) in subsection (f)(2)(A), by—

5 (A) striking “first fiscal year” and insert-
6 ing “each fiscal year of the biennium”; and

7 (B) striking “the total of fiscal years” and
8 inserting “the total of all fiscal years covered by
9 the resolution”; and

10 (5) in subsection (g)(1)(A), by striking “April”
11 and inserting “May”.

12 (e) SECTION 303 POINT OF ORDER.—Section 303 of
13 such Act (2 U.S.C. 634(a)) is amended by striking “for
14 a fiscal year” and inserting “for a biennium” and by strik-
15 ing “the first fiscal year” and inserting “each fiscal year
16 of the biennium”.

17 (f) PERMISSIBLE REVISIONS OF JOINT RESOLUTIONS
18 ON THE BUDGET.—Section 304 of such Act (2 U.S.C.
19 635) is amended—

20 (1) by striking “fiscal year” the first two places
21 it appears and inserting “biennium”;

22 (2) by striking “for such fiscal year”; and

23 (3) by inserting before the period “for such bi-
24 ennium”.

1 (g) PROCEDURES FOR CONSIDERATION OF BUDGET
2 RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C.
3 636(b)(3)) is amended by striking “fiscal year” and in-
4 serting “biennium”.

5 (h) COMPLETION OF HOUSE COMMITTEE ACTION ON
6 APPROPRIATION BILLS.—Section 307 of such Act (2
7 U.S.C. 638) is amended—

8 (1) by striking “each year” and inserting “each
9 odd-numbered year (or, if applicable, as provided by
10 section 300(b), July 1)”;

11 (2) by striking “annual” and inserting “bien-
12 nial”;

13 (3) by striking “fiscal year” and inserting “bi-
14 ennium”; and

15 (4) by striking “that year” and inserting “each
16 odd-numbered year”.

17 (i) QUARTERLY BUDGET REPORTS.—Section 308 of
18 such Act (2 U.S.C. 639) is amended by adding at the end
19 the following new subsection:

20 “(d) QUARTERLY BUDGET REPORTS.—The Director
21 of the Congressional Budget Office shall, as soon as prac-
22 ticable after the completion of each quarter of the fiscal
23 year, prepare an analysis comparing revenues, spending,
24 and the deficit or surplus for the current fiscal year to
25 assumptions included in the congressional budget resolu-

tion. In preparing this report, the Director of the Congressional Budget Office shall combine actual budget figures to date with projected revenue and spending for the balance of the fiscal year. The Director of the Congressional Budget Office shall include any other information in this report that it deems useful for a full understanding of the current fiscal position of the Government. The reports mandated by this subsection shall be transmitted by the Director to the Senate and House Committees on the Budget, and the Congressional Budget Office shall make such reports available to any interested party upon request.”.

(j) COMPLETION OF HOUSE ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 640) is amended—

(1) by striking “It” and inserting “Except whenever section 300(b) is applicable, it”;

(2) by inserting “of any odd-numbered calendar year” after “July”;

(3) by striking “annual” and inserting “biennial”; and

(4) by striking “fiscal year” and inserting “biennium”.

(k) RECONCILIATION PROCESS.—Section 310 of such Act (2 U.S.C. 641) is amended—

1 (1) in subsection (a), in the matter preceding
2 paragraph (1), by striking “any fiscal year” and in-
3 serting “any biennium”;

4 (2) in subsection (a)(1), by striking “such fiscal
5 year” each place it appears and inserting “any fiscal
6 year covered by such resolution”; and

7 (3) by striking subsection (f) and redesignating
8 subsection (g) as subsection (f).

9 (l) SECTION 311 POINT OF ORDER.—

10 (1) IN THE HOUSE.—Section 311(a)(1) of such
11 Act (2 U.S.C. 642(a)) is amended—

12 (A) by striking “for a fiscal year” and in-
13 serting “for a biennium”;

14 (B) by striking “the first fiscal year” each
15 place it appears and inserting “either fiscal
16 year of the biennium”; and

17 (C) by striking “that first fiscal year” and
18 inserting “each fiscal year in the biennium”.

19 (2) IN THE SENATE.—Section 311(a)(2) of
20 such Act is amended—

21 (A) in subparagraph (A), by striking “for
22 the first fiscal year” and inserting “for either
23 fiscal year of the biennium”; and

24 (B) in subparagraph (B)—

1 (i) by striking “that first fiscal year”
 2 the first place it appears and inserting
 3 “each fiscal year in the biennium”; and
 4 (ii) by striking “that first fiscal year
 5 and the ensuing fiscal years” and inserting
 6 “all fiscal years”.

7 (3) SOCIAL SECURITY LEVELS.—Section
 8 311(a)(3) of such Act is amended by—

9 (A) striking “for the first fiscal year” and
 10 inserting “each fiscal year in the biennium”;
 11 and

12 (B) striking “that fiscal year and the ensu-
 13 ing fiscal years” and inserting “all fiscal
 14 years”.

15 (m) MAXIMUM DEFICIT AMOUNT POINT OF
 16 ORDER.—Section 312(c) of the Congressional Budget Act
 17 of 1974 (2 U.S.C. 643) is amended—

18 (1) by striking “for a fiscal year” and inserting
 19 “for a biennium”;

20 (2) in paragraph (1), by striking “first fiscal
 21 year” and inserting “either fiscal year in the bien-
 22 nium”;

23 (3) in paragraph (2), by striking “that fiscal
 24 year” and inserting “either fiscal year in the bien-
 25 nium”; and

1 (4) in the matter following paragraph (2), by
2 striking “that fiscal year” and inserting “the appli-
3 cable fiscal year”.

4 **SEC. 124. AMENDMENTS TO RULES OF THE HOUSE OF REP-**
5 **RESENTATIVES.**

6 (a) Clause 4(a)(1)(A) of rule X of the Rules of the
7 House of Representatives is amended by inserting “odd-
8 numbered” after “each”.

9 (b) Clause 4(a)(4) of rule X of the Rules of the House
10 of Representatives is amended by striking “fiscal year”
11 and inserting “biennium”.

12 (c) Clause 4(b)(2) of rule X of the Rules of the House
13 of Representatives is amended by striking “each fiscal
14 year” and inserting “the biennium”.

15 (d) Clause 4(b) of rule X of the Rules of the House
16 of Representatives is amended by striking “and” at the
17 end of subparagraph (5), by striking the period and insert-
18 ing “; and” at the end of subparagraph (6), and by adding
19 at the end the following new subparagraph:

20 “(7) use the second session of each Congress to
21 study issues with long-term budgetary and economic
22 implications, which would include—

23 “(A) hold hearings to receive testimony
24 from committees of jurisdiction to identify prob-

1 lem areas and to report on the results of over-
2 sight; and

3 “(B) by January 1 of each odd-number
4 year, issuing a report to the Speaker which
5 identifies the key issues facing the Congress in
6 the next biennium.”.

7 (e) Clause 4(e) of rule X of the Rules of the House
8 of Representatives is amended by striking “annually” each
9 place it appears and inserting “biennially” and by striking
10 “annual” and inserting “biennial”.

11 (f) Clause 4(f) of rule X of the Rules of the House
12 of Representatives is amended—

13 (1) by inserting “during each odd-numbered
14 year” after “submits his budget”;

15 (2) by striking “fiscal year” the first place it
16 appears and inserting “biennium”; and

17 (3) by striking “that fiscal year” and inserting
18 “each fiscal year in such ensuing biennium”.

19 (g) Clause 11(i) of rule X of the Rules of the House
20 of Representatives is amended by striking “during the
21 same or preceding fiscal year”.

22 (h) Clause 3(d)(2)(A) of rule XIII of the Rules of
23 the House of Representatives is amended by striking
24 “five” both places it appears and inserting “six”.

1 (i) Clause 5(a)(1) of rule XIII of the Rules of the
 2 House of Representatives is amended by striking “fiscal
 3 year after September 15 in the preceding fiscal year” and
 4 inserting “biennium after September 15 of the calendar
 5 year in which such biennium begins”.

6 **SEC. 125. AMENDMENTS TO TITLE 31, UNITED STATES**
 7 **CODE.**

8 (a) DEFINITION.—Section 1101 of title 31, United
 9 States Code, is amended by adding at the end the fol-
 10 lowing new paragraph:

11 “(3) ‘biennium’ has the meaning given to such
 12 term in paragraph (13) of section 3 of the Congres-
 13 sional Budget and Impoundment Control Act of
 14 1974 (2 U.S.C. 622(13)).”.

15 (b) BUDGET CONTENTS AND SUBMISSION TO THE
 16 CONGRESS.—

17 (1) SCHEDULE.—The matter preceding para-
 18 graph (1) in section 1105(a) of title 31, United
 19 States Code, is amended to read as follows:

20 “(a) On or before the first Monday in February of
 21 each odd-numbered year (or, if applicable, as provided by
 22 section 300(b) of the Congressional Budget Act of 1974),
 23 beginning with the One Hundred Tenth Congress or a
 24 subsequent Congress (as applicable), the President shall
 25 submit to the Congress the budget for the biennium begin-

1 ning on October 1 of such calendar year. The budget
2 transmitted under this subsection shall include a budget
3 message and summary and supporting information. The
4 President shall include in each budget the following:”.

5 (2) EXPENDITURES.—Section 1105(a)(5) of
6 title 31, United States Code, is amended by striking
7 “the fiscal year for which the budget is submitted
8 and the 4 fiscal years after that year” and inserting
9 “each fiscal year in the biennium for which the
10 budget is submitted and in the succeeding 4 years”.

11 (3) RECEIPTS.—Section 1105(a)(6) of title 31,
12 United States Code, is amended by striking “the fis-
13 cal year for which the budget is submitted and the
14 4 fiscal years after that year” and inserting “each
15 fiscal year in the biennium for which the budget is
16 submitted and in the succeeding 4 years”.

17 (4) BALANCE STATEMENTS.—Section
18 1105(a)(9)(C) of title 31, United States Code, is
19 amended by striking “the fiscal year” and inserting
20 “each fiscal year in the biennium”.

21 (5) GOVERNMENT FUNCTIONS AND ACTIVI-
22 TIES.—Section 1105(a)(12) of title 31, United
23 States Code, is amended in subparagraph (A), by
24 striking “the fiscal year” and inserting “each fiscal
25 year in the biennium”.

1 (6) ALLOWANCES.—Section 1105(a)(13) of title
2 31, United States Code, is amended by striking “the
3 fiscal year” and inserting “each fiscal year in the bi-
4 ennium”.

5 (7) ALLOWANCES FOR UNANTICIPATED AND
6 UNCONTROLLABLE EXPENDITURES.—Section
7 1105(a)(14) of title 31, United States Code, is
8 amended by striking “that year” and inserting “each
9 fiscal year in the biennium for which the budget is
10 submitted”.

11 (8) TAX EXPENDITURES.—Section 1105(a)(16)
12 of title 31, United States Code, is amended by strik-
13 ing “the fiscal year” and inserting “each fiscal year
14 in the biennium”.

15 (9) ESTIMATES FOR FUTURE YEARS.—Section
16 1105(a)(17) of title 31, United States Code, is
17 amended—

18 (A) by striking “the fiscal year following
19 the fiscal year” and inserting “each fiscal year
20 in the biennium following the biennium”;

21 (B) by striking “that following fiscal year”
22 and inserting “each such fiscal year”; and

23 (C) by striking “fiscal year before the fis-
24 cal year” and inserting “biennium before the bi-
25 ennium”.

1 (10) PRIOR YEAR OUTLAYS.—Section
2 1105(a)(18) of title 31, United States Code, is
3 amended—

4 (A) by striking “the prior fiscal year,” and
5 inserting “each of the 2 most recently com-
6 pleted fiscal years,”;

7 (B) by striking “for that year” and insert-
8 ing “with respect to those fiscal years”; and

9 (C) by striking “in that year” and insert-
10 ing “in those fiscal years”.

11 (11) PRIOR YEAR RECEIPTS.—Section
12 1105(a)(19) of title 31, United States Code, is
13 amended—

14 (A) by striking “the prior fiscal year” and
15 inserting “each of the 2 most recently com-
16 pleted fiscal years”;

17 (B) by striking “for that year” and insert-
18 ing “with respect to those fiscal years”; and

19 (C) by striking “in that year” each place
20 it appears and inserting “in those fiscal years”.

21 (c) ESTIMATED EXPENDITURES OF LEGISLATIVE
22 AND JUDICIAL BRANCHES.—Section 1105(b) of title 31,
23 United States Code, is amended by striking “each year”
24 and inserting “each even-numbered year”.

1 (d) RECOMMENDATIONS TO MEET ESTIMATED DE-
2 FICIENCIES.—Section 1105(c) of title 31, United States
3 Code, is amended—

4 (1) by striking “the fiscal year for” the first
5 place it appears and inserting “each fiscal year in
6 the biennium for”;

7 (2) by striking “the fiscal year for” the second
8 place it appears and inserting “each fiscal year of
9 the biennium, as the case may be,”; and

10 (3) by striking “that year” and inserting “for
11 each year of the biennium”.

12 (e) CAPITAL INVESTMENT ANALYSIS.—Section
13 1105(e)(1) of title 31, United States Code, is amended
14 by striking “ensuing fiscal year” and inserting “biennium
15 to which such budget relates”.

16 (f) SUPPLEMENTAL BUDGET ESTIMATES AND
17 CHANGES.—

18 (1) IN GENERAL.—Section 1106(a) of title 31,
19 United States Code, is amended—

20 (A) in the matter preceding paragraph (1),
21 by—

22 (i) inserting “and before February 15
23 of each even-numbered year” after “Before
24 July 16 of each year”; and

1 (ii) striking “fiscal year” and insert-
 2 ing “biennium”;

3 (B) in paragraph (1), by striking “that fis-
 4 cal year” and inserting “each fiscal year in
 5 such biennium”;

6 (C) in paragraph (2), by striking “4 fiscal
 7 years following the fiscal year” and inserting “4
 8 fiscal years following the biennium”; and

9 (D) in paragraph (3), by striking “fiscal
 10 year” and inserting “biennium”.

11 (2) CHANGES.—Section 1106(b) of title 31,
 12 United States Code, is amended by—

13 (A) striking “the fiscal year” and inserting
 14 “each fiscal year in the biennium”; and

15 (B) inserting “and before February 15 of
 16 each even-numbered year” after “Before July
 17 16 of each year”.

18 (g) CURRENT PROGRAMS AND ACTIVITIES ESTI-
 19 MATES.—

20 (1) THE PRESIDENT.—Section 1109(a) of title
 21 31, United States Code, is amended—

22 (A) by striking “On or before the first
 23 Monday after January 3 of each year (on or be-
 24 fore February 5 in 1986)” and inserting “At

1 the same time the budget required by section
 2 1105 is submitted for a biennium”; and

3 (B) by striking “the following fiscal year”
 4 and inserting “each fiscal year of such period”.

5 (2) JOINT ECONOMIC COMMITTEE.—Section
 6 1109(b) of title 31, United States Code, is amended
 7 by striking “March 1 of each year” and inserting
 8 “within 6 weeks of the President’s budget submis-
 9 sion for each odd-numbered year (or, if applicable,
 10 as provided by section 300(b) of the Congressional
 11 Budget Act of 1974)”.

12 (h) YEAR-AHEAD REQUESTS FOR AUTHORIZING
 13 LEGISLATION.—Section 1110 of title 31, United States
 14 Code, is amended by—

15 (1) striking “May 16” and inserting “March
 16 31”; and

17 (2) striking “year before the year in which the
 18 fiscal year begins” and inserting “calendar year pre-
 19 ceding the calendar year in which the biennium be-
 20 gins”.

21 **SEC. 126. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE**
 22 **OF APPROPRIATION ACTS.**

23 Section 105 of title 1, United States Code, is amend-
 24 ed to read as follows:

1 **“§ 105. Title and style of appropriations Acts**

2 “(a) The style and title of all Acts making appropria-
 3 tions for the support of the Government shall be as fol-
 4 lows: ‘An Act making appropriations (here insert the ob-
 5 ject) for each fiscal year in the biennium of fiscal years
 6 (here insert the fiscal years of the biennium).’.

7 “(b) All Acts making regular appropriations for the
 8 support of the Government shall be enacted for a biennium
 9 and shall specify the amount of appropriations provided
 10 for each fiscal year in such period.

11 “(c) For purposes of this section, the term ‘biennium’
 12 has the same meaning as in section 3(13) of the Congres-
 13 sional Budget and Impoundment Control Act of 1974 (2
 14 U.S.C. 622(13)).”.

15 **SEC. 127. MULTIYEAR AUTHORIZATIONS.**

16 (a) IN GENERAL.—Title III of the Congressional
 17 Budget Act of 1974 (as amended by section 116(a)) is
 18 further amended by adding at the end the following new
 19 section:

20 “MULTIYEAR AUTHORIZATIONS OF APPROPRIATIONS

21 “SEC. 318. (a) It shall not be in order in the House
 22 of Representatives or the Senate to consider any measure
 23 that contains a specific authorization of appropriations for
 24 any purpose unless the measure includes such a specific
 25 authorization of appropriations for that purpose for not
 26 less than each fiscal year in one or more bienniums.

1 “(b)(1) For purposes of this section, a specific au-
2 thorization of appropriations is an authorization for the
3 enactment of an amount of appropriations or amounts not
4 to exceed an amount of appropriations (whether stated as
5 a sum certain, as a limit, or as such sums as may be nec-
6 essary) for any purpose for a fiscal year.

7 “(2) Subsection (a) does not apply with respect to
8 an authorization of appropriations for a single fiscal year
9 for any program, project, or activity if the measure con-
10 taining that authorization includes a provision expressly
11 stating the following: ‘Congress finds that no authoriza-
12 tion of appropriation will be required for [Insert name of
13 applicable program, project, or activity] for any subse-
14 quent fiscal year.’.

15 “(c) For purposes of this section, the term ‘measure’
16 means a bill, joint resolution, amendment, motion, or con-
17 ference report.”.

18 (b) AMENDMENT TO TABLE OF CONTENTS.—The
19 table of contents set forth in section 1(b) of the Congres-
20 sional Budget and Impoundment Control Act of 1974 is
21 amended by adding after the item relating to section 317
22 the following new item:

“Sec. 318. Multiyear authorizations of appropriations.”.

1 **SEC. 128. GOVERNMENT STRATEGIC AND PERFORMANCE**
2 **PLANS ON A BIENNIAL BASIS.**

3 (a) STRATEGIC PLANS.—Section 306 of title 5,
4 United States Code, is amended—

5 (1) in subsection (a), by striking “September
6 30, 1997” and inserting “September 30, 2009”;

7 (2) in subsection (b)—

8 (A) by striking “at least every three years”
9 and all that follows thereafter and inserting “at
10 least every 4 years, except that strategic plans
11 submitted by September 30, 2009, shall be up-
12 dated and revised by September 30, 2012”; and

13 (B) by striking “five years forward” and
14 inserting “six years forward”; and

15 (3) in subsection (c), by inserting a comma
16 after “section” the second place it appears and add-
17 ing “including a strategic plan submitted by Sep-
18 tember 30, 2009, meeting the requirements of sub-
19 section (a)”.

20 (b) BUDGET CONTENTS AND SUBMISSION TO CON-
21 GRESS.—Paragraph (28) of section 1105(a) of title 31,
22 United States Code, is amended by striking “beginning
23 with fiscal year 1999, a” and inserting “beginning with
24 fiscal year 2012, a biennial”.

25 (c) PERFORMANCE PLANS.—Section 1115 of title 31,
26 United States Code, is amended—

1 (1) in subsection (a)—

2 (A) in the matter before paragraph (1) by
3 striking “an annual” and inserting “a bien-
4 nial”;

5 (B) in paragraph (1) by inserting after
6 “program activity” the following: “for both
7 years 1 and 2 of the biennial plan”;

8 (C) in paragraph (5) by striking “and”
9 after the semicolon;

10 (D) in paragraph (6) by striking the period
11 and inserting a semicolon; and inserting “and”
12 after the inserted semicolon; and

13 (E) by adding after paragraph (6) the fol-
14 lowing:

15 “(7) cover each fiscal year of the biennium be-
16 ginning with the first fiscal year of the next biennial
17 budget cycle.”;

18 (2) in subsection (d) by striking “annual” and
19 inserting “biennial”; and

20 (3) in paragraph (6) of subsection (g) by strik-
21 ing “annual” and inserting “biennial”.

22 (d) MANAGERIAL ACCOUNTABILITY AND FLEXI-
23 BILITY.—Section 9703 of title 31, United States Code, re-
24 lating to managerial accountability, is amended—

25 (1) in subsection (a)—

1 (A) in the first sentence by striking “an-
2 nual”; and

3 (B) by striking “section 1105(a)(29)” and
4 inserting “section 1105(a)(28)”;
5 (2) in subsection (e)—

6 (A) in the first sentence by striking “one
7 or” before “two years”;

8 (B) in the second sentence by striking “a
9 subsequent year” and inserting “for a subse-
10 quent 2-year period”; and

11 (C) in the third sentence by striking
12 “three” and inserting “four”.

13 (e) STRATEGIC PLANS.—Section 2802 of title 39,
14 United States Code, is amended—

15 (1) in subsection (a), by striking “September
16 30, 1997” and inserting “September 30, 2009”;

17 (2) in subsection (b), by striking “at least every
18 three years” and inserting “at least every 4 years
19 except that strategic plans submitted by September
20 30, 2009, shall be updated and revised by September
21 30, 2012”;

22 (3) in subsection (b), by striking “five years
23 forward” and inserting “six years forward”; and

24 (4) in subsection (c), by inserting a comma
25 after “section” the second place it appears and in-

1 serting “including a strategic plan submitted by
2 September 30, 2009, meeting the requirements of
3 subsection (a)”.

4 (f) PERFORMANCE PLANS.—Section 2803(a) of title
5 39, United States Code, is amended—

6 (1) in the matter before paragraph (1), by
7 striking “an annual” and inserting “a biennial”;

8 (2) in paragraph (1), by inserting after “pro-
9 gram activity” the following: “for both years 1 and
10 2 of the biennial plan”;

11 (3) in paragraph (5), by striking “and” after
12 the semicolon;

13 (4) in paragraph (6), by striking the period and
14 inserting “; and”; and

15 (5) by adding after paragraph (6) the following:

16 “(7) cover each fiscal year of the biennium be-
17 ginning with the first fiscal year of the next biennial
18 budget cycle.”.

19 (g) COMMITTEE VIEWS OF PLANS AND REPORTS.—
20 Section 301(d) of the Congressional Budget Act (2 U.S.C.
21 632(d)) is amended by adding at the end “Each committee
22 of the Senate or the House of Representatives shall review
23 the strategic plans, performance plans, and performance
24 reports, required under section 306 of title 5, United
25 States Code, and sections 1115 and 1116 of title 31,

1 United States Code, of all agencies under the jurisdiction
2 of the committee. Each committee may provide its views
3 on such plans or reports to the Committee on the Budget
4 of the applicable House.”.

5 **SEC. 129. BIENNIAL APPROPRIATION BILLS.**

6 (a) IN THE HOUSE OF REPRESENTATIVES.—Clause
7 2(a) of rule XXI of the Rules of the House of Representa-
8 tives is amended by adding at the end the following new
9 subparagraph:

10 “(3)(A) Except as provided by subdivision (B), an ap-
11 propriation may not be reported in a general appropriation
12 bill (other than a supplemental appropriation bill), and
13 may not be in order as an amendment thereto, unless it
14 provides new budget authority or establishes a level of ob-
15 ligations under contract authority for each fiscal year of
16 a biennium.

17 “(B) Subdivision (A) does not apply with respect to
18 an appropriation for a single fiscal year for any program,
19 project, or activity if the bill or amendment thereto con-
20 taining that appropriation includes a provision expressly
21 stating the following: ‘Congress finds that no additional
22 funding beyond one fiscal year will be required and the
23 [Insert name of applicable program, project, or activity]
24 will be completed or terminated after the amount provided
25 has been expended.’.

1 “(C) For purposes of paragraph (b), the statement
2 set forth in subdivision (B) with respect to an appropria-
3 tion for a single fiscal year for any program, project, or
4 activity may be included in a general appropriation bill
5 or amendment thereto.”.

6 (b) CONFORMING AMENDMENT.—Clause 5(b)(1) of
7 rule XXII of the House of Representatives is amended by
8 striking “or (c)” and inserting “or (3) or 2(c)”.

9 **SEC. 130. ASSISTANCE BY FEDERAL AGENCIES TO STAND-**
10 **ING COMMITTEES OF THE SENATE AND THE**
11 **HOUSE OF REPRESENTATIVES.**

12 (a) INFORMATION REGARDING AGENCY APPROPRIA-
13 TIONS REQUESTS.—To assist each standing committee of
14 the House of Representatives and the Senate in carrying
15 out its responsibilities, the head of each Federal agency
16 which administers the laws or parts of laws under the ju-
17 risdiction of such committee shall provide to such com-
18 mittee such studies, information, analyses, reports, and
19 assistance as may be requested by the chairman and rank-
20 ing minority member of the committee.

21 (b) INFORMATION REGARDING AGENCY PROGRAM
22 ADMINISTRATION.—To assist each standing committee of
23 the House of Representatives and the Senate in carrying
24 out its responsibilities, the head of any agency shall fur-
25 nish to such committee documentation, containing infor-

1 mation received, compiled, or maintained by the agency
2 as part of the operation or administration of a program,
3 or specifically compiled pursuant to a request in support
4 of a review of a program, as may be requested by the
5 chairman and ranking minority member of such com-
6 mittee.

7 (c) SUMMARIES BY COMPTROLLER GENERAL.—With-
8 in thirty days after the receipt of a request from a chair-
9 man and ranking minority member of a standing com-
10 mittee having jurisdiction over a program being reviewed
11 and studied by such committee under this section, the
12 Comptroller General of the United States shall furnish to
13 such committee summaries of any audits or reviews of
14 such program which the Comptroller General has com-
15 pleted during the preceding six years.

16 (d) CONGRESSIONAL ASSISTANCE.—Consistent with
17 their duties and functions under law, the Comptroller Gen-
18 eral of the United States, the Director of the Congres-
19 sional Budget Office, and the Director of the Congres-
20 sional Research Service shall continue to furnish (con-
21 sistent with established protocols) to each standing com-
22 mittee of the House of Representatives or the Senate such
23 information, studies, analyses, and reports as the chair-
24 man and ranking minority member may request to assist

1 the committee in conducting reviews and studies of pro-
2 grams under this section.

3 **Subtitle D—Prevention of** 4 **Government Shutdown**

5 **SEC. 141. AMENDMENT TO TITLE 31.**

6 (a) IN GENERAL.—Chapter 13 of title 31, United
7 States Code, is amended by inserting after section 1310
8 the following new section:

9 **“§ 1311. Continuing appropriations**

10 “(a)(1) If any regular appropriation bill for a fiscal
11 year (or, if applicable, for each fiscal year in a biennium)
12 does not become law before the beginning of such fiscal
13 year or a joint resolution making continuing appropria-
14 tions is not in effect, there are appropriated, out of any
15 money in the Treasury not otherwise appropriated, and
16 out of applicable corporate or other revenues, receipts, and
17 funds, such sums as may be necessary to continue any
18 project or activity for which funds were provided in the
19 preceding fiscal year—

20 “(A) in the corresponding regular appropriation
21 Act for such preceding fiscal year; or

22 “(B) if the corresponding regular appropriation
23 bill for such preceding fiscal year did not become
24 law, then in a joint resolution making continuing ap-
25 propriations for such preceding fiscal year.

1 “(2) Appropriations and funds made available, and
2 authority granted, for a project or activity for any fiscal
3 year pursuant to this section shall be at a rate of oper-
4 ations not in excess of the lower of—

5 “(A) the rate of operations provided for in the
6 regular appropriation Act providing for such project
7 or activity for the preceding fiscal year;

8 “(B) in the absence of such an Act, the rate of
9 operations provided for such project or activity pur-
10 suant to a joint resolution making continuing appro-
11 priations for such preceding fiscal year;

12 “(C) the rate of operations provided for in the
13 regular appropriation bill as passed by the House of
14 Representatives or the Senate for the fiscal year in
15 question, except that the lower of these two versions
16 shall be ignored for any project or activity for which
17 there is a budget request if no funding is provided
18 for that project or activity in either version; or

19 “(D) the annualized rate of operations provided
20 for in the most recently enacted joint resolution
21 making continuing appropriations for part of that
22 fiscal year or any funding levels established under
23 the provisions of this Act.

24 “(3) Appropriations and funds made available, and
25 authority granted, for any fiscal year pursuant to this sec-

1 tion for a project or activity shall be available for the pe-
2 riod beginning with the first day of a lapse in appropria-
3 tions and ending with the earlier of—

4 “(A) the date on which the applicable regular
5 appropriation bill for such fiscal year becomes law
6 (whether or not such law provides for such project
7 or activity) or a continuing resolution making appro-
8 priations becomes law, as the case may be; or

9 “(B) the last day of such fiscal year.

10 “(b) An appropriation or funds made available, or au-
11 thority granted, for a project or activity for any fiscal year
12 pursuant to this section shall be subject to the terms and
13 conditions imposed with respect to the appropriation made
14 or funds made available for the preceding fiscal year, or
15 authority granted for such project or activity under cur-
16 rent law.

17 “(c) Appropriations and funds made available, and
18 authority granted, for any project or activity for any fiscal
19 year pursuant to this section shall cover all obligations or
20 expenditures incurred for such project or activity during
21 the portion of such fiscal year for which this section ap-
22 plies to such project or activity.

23 “(d) Expenditures made for a project or activity for
24 any fiscal year pursuant to this section shall be charged
25 to the applicable appropriation, fund, or authorization

1 whenever a regular appropriation bill or a joint resolution
2 making continuing appropriations until the end of a fiscal
3 year providing for such project or activity for such period
4 becomes law.

5 “(e) This section shall not apply to a project or activ-
6 ity during a fiscal year if any other provision of law (other
7 than an authorization of appropriations)—

8 “(1) makes an appropriation, makes funds
9 available, or grants authority for such project or ac-
10 tivity to continue for such period; or

11 “(2) specifically provides that no appropriation
12 shall be made, no funds shall be made available, or
13 no authority shall be granted for such project or ac-
14 tivity to continue for such period.

15 “(f) For purposes of this section, the term ‘regular
16 appropriation bill’ means any annual appropriation bill
17 making appropriations, otherwise making funds available,
18 or granting authority, for any of the following categories
19 of projects and activities:

20 “(1) Agriculture, rural development, Food and
21 Drug Administration, and related agencies pro-
22 grams.

23 “(2) The Department of Defense.

24 “(3) Energy and water development, and re-
25 lated agencies.

1 “(4) State, foreign operations, and related pro-
2 grams.

3 “(5) The Department of Homeland Security.

4 “(6) The Department of the Interior, Environ-
5 mental Protection Agency, and related agencies.

6 “(7) The Departments of Labor, Health and
7 Human Services, and Education, and related agen-
8 cies.

9 “(8) Military construction, veterans affairs, and
10 related agencies.

11 “(9) Science, the Departments of State, Jus-
12 tice, and Commerce, and related agencies.

13 “(10) The Departments of Transportation,
14 Housing and Urban Development, and related agen-
15 cies.

16 “(11) The Legislative Branch.

17 “(12) Financial services and general govern-
18 ment.”.

19 (b) CLERICAL AMENDMENT.—The analysis of chap-
20 ter 13 of title 31, United States Code, is amended by in-
21 serting after the item relating to section 1310 the fol-
22 lowing new item:

 “1311. Continuing appropriations.”.

1 **Subtitle E—The Baseline**

2 **SEC. 151. ELIMINATION OF INFLATION ADJUSTMENT.**

3 Section 257(c) of the Balanced Budget and Emer-
4 gency Deficit Control Act of 1985 is amended—

5 (1) in paragraph (1) by striking “for inflation
6 as specified in paragraph (5),”; and

7 (2) by striking paragraph (5) and redesignating
8 paragraph (6) as paragraph (5).

9 **SEC. 152. THE PRESIDENT’S BUDGET.**

10 (a) Paragraph (5) of section 1105(a) of title 31,
11 United States Code, is amended to read as follows:

12 “(5) except as provided in subsection (b) of this
13 section, estimated expenditures and appropriations
14 for the current year and estimated expenditures and
15 proposed appropriations the President decides are
16 necessary to support the Government in the fiscal
17 year for which the budget is submitted and the 4 fis-
18 cal years following that year, and, except for detailed
19 budget estimates, the percentage change from the
20 current year to the fiscal year for which the budget
21 is submitted for estimated expenditures and for ap-
22 propriations.”.

23 (b) Section 1105(a)(6) of title 31, United States
24 Code, is amended to read as follows:

1 “(6) estimated receipts of the Government in
2 the current year and the fiscal year for which the
3 budget is submitted and the 4 fiscal years after that
4 year under—

5 “(A) laws in effect when the budget is sub-
6 mitted; and

7 “(B) proposals in the budget to increase
8 revenues,
9 and the percentage change (in the case of each cat-
10 egory referred to in subparagraphs (A) and (B)) be-
11 tween the current year and the fiscal year for which
12 the budget is submitted and between the current
13 year and each of the 9 fiscal years after the fiscal
14 year for which the budget is submitted.”.

15 (c) Section 1105(a)(12) of title 31, United States
16 Code, is amended to read as follows:

17 “(12) for each proposal in the budget for legis-
18 lation that would establish or expand a Government
19 activity or function, a table showing—

20 “(A) the amount proposed in the budget
21 for appropriation and for expenditure because
22 of the proposal in the fiscal year for which the
23 budget is submitted;

24 “(B) the estimated appropriation required
25 because of the proposal for each of the 4 fiscal

1 years after that year that the proposal will be
2 in effect; and

3 “(C) the estimated amount for the same
4 activity or function, if any, in the current fiscal
5 year,

6 and, except for detailed budget estimates, the per-
7 centage change (in the case of each category re-
8 ferred to in subparagraphs (A), (B), and (C)) be-
9 tween the current year and the fiscal year for which
10 the budget is submitted.”.

11 (d) Section 1105(a)(18) of title 31, United States
12 Code, is amended by inserting “new budget authority
13 and” before “budget outlays”.

14 (e) Section 1105(a) of title 31, United States Code,
15 is amended by adding at the end the following new para-
16 graphs:

17 “(35) a comparison of levels of estimated ex-
18 penditures and proposed appropriations for each
19 function and subfunction in the current fiscal year
20 and the fiscal year for which the budget is sub-
21 mitted, along with the proposed increase or decrease
22 of spending in percentage terms for each function
23 and subfunction.

24 “(36) a table on sources of growth in total di-
25 rect spending under current law and as proposed in

1 this budget submission for the budget year and the
2 ensuing 9 fiscal years, which shall include changes
3 in outlays attributable to the following: cost-of-living
4 adjustments; changes in the number of program re-
5 cipients; increases in medical care prices, utilization
6 and intensity of medical care; and residual factors.”.

7 (f) Section 1109(a) of title 31, United States Code,
8 is amended by inserting after the first sentence the fol-
9 lowing new sentence: “For discretionary spending, these
10 estimates shall assume the levels set forth in the discre-
11 tionary spending limits under section 251(b) of the Bal-
12 anced Budget and Emergency Deficit Control Act of 1985,
13 as adjusted, for the appropriate fiscal years (and if no
14 such limits are in effect, these estimates shall assume the
15 adjusted levels for the most recent fiscal year for which
16 such levels were in effect).”.

17 **SEC. 153. THE CONGRESSIONAL BUDGET.**

18 Section 301(e) of the Congressional Budget Act of
19 1974 (as amended by section 103) is further amended—

20 (1) in paragraph (1), by inserting at the end
21 the following: “The basis of deliberations in devel-
22 oping such joint resolution shall be the estimated
23 budgetary levels for the preceding fiscal year. Any
24 budgetary levels pending before the committee and
25 the text of the joint resolution shall be accompanied

1 by a document comparing such levels or such text to
 2 the estimated levels of the prior fiscal year. Any
 3 amendment offered in the committee that changes a
 4 budgetary level and is based upon a specific policy
 5 assumption for a program, project, or activity shall
 6 be accompanied by a document indicating the esti-
 7 mated amount for such program, project, or activity
 8 in the current year.”; and

9 (2) in paragraph (2), by striking “and” at the
 10 end of subparagraph (H) (as redesignated), by strik-
 11 ing the period and inserting “; and” at the end of
 12 subparagraph (I) (as redesignated), and by adding
 13 at the end the following new subparagraph:

14 “(J) a comparison of levels for the current
 15 fiscal year with proposed spending and revenue
 16 levels for the subsequent fiscal years along with
 17 the proposed increase or decrease of spending
 18 in percentage terms for each function.”.

19 **SEC. 154. CONGRESSIONAL BUDGET OFFICE REPORTS TO**
 20 **COMMITTEES.**

21 (a) The first sentence of section 202(e)(1) of the Con-
 22 gressional Budget Act of 1974 is amended by inserting
 23 “compared to comparable levels for the current year” be-
 24 fore the comma at the end of subparagraph (A) and before
 25 the comma at the end of subparagraph (B).

1 (b) Section 202(e)(1) of the Congressional Budget
2 Act of 1974 is amended by inserting after the first sen-
3 tence the following new sentence: “Such report shall also
4 include a table on sources of spending growth in total di-
5 rect spending for the budget year and the ensuing 4 fiscal
6 years, which shall include changes in outlays attributable
7 to the following: cost-of-living adjustments; changes in the
8 number of program recipients; increases in medical care
9 prices, utilization and intensity of medical care; and resid-
10 ual factors.”.

11 (c) Section 308(a)(1)(B) of the Congressional Budget
12 Act of 1974 is amended by inserting “and shall include
13 a comparison of those levels to comparable levels for the
14 current fiscal year” before “if timely submitted”.

15 **SEC. 155. TREATMENT OF EMERGENCIES.**

16 Section 257(c) of the Balanced Budget and Emer-
17 gency Deficit Control Act of 1985 (as amended by section
18 151) is further amended by adding at the end the fol-
19 lowing new paragraph:

20 “(6) EMERGENCIES.—Budgetary resources for
21 emergencies shall be at the level provided in the re-
22 serve fund for emergencies for that fiscal year pur-
23 suant to section 301(a)(4) of the Congressional
24 Budget Act of 1974.”.

1 **TITLE II—PUTTING A LID ON**
2 **THE FEDERAL BUDGET**
3 **Subtitle A—Spending Safeguards**
4 **on the Growth of Entitlements**
5 **and Mandatories**

6 **SEC. 201. SPENDING CAPS ON GROWTH OF ENTITLEMENTS**
7 **AND MANDATORIES.**

8 (a) CONTROL OF ENTITLEMENTS AND
9 MANDATORIES.—The Balanced Budget and Emergency
10 Deficit Control Act of 1985 is amended by adding after
11 section 252 the following new section:

12 **“SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.**

13 “(a) CAP ON GROWTH OF ENTITLEMENTS.—Effec-
14 tive for fiscal year 2009 and for each ensuing fiscal year,
15 the total level of direct spending for all direct spending
16 programs, projects, and activities (excluding social secu-
17 rity) for any such fiscal year shall not exceed the total
18 level of spending for all such programs, projects, and ac-
19 tivities for the previous fiscal year after the direct spend-
20 ing for each such program, project, or activity is increased
21 by the higher of the change in the Consumer Price Index
22 for All Urban Consumers or the inflator (if any) applicable
23 to that program, project, or activity and the growth in
24 eligible population for such, project, or activity.

1 “(b) SEQUESTRATION.—Within 15 days after Con-
2 gress adjourns to end a session (other than of the second
3 session of the One Hundred Ninth Congress), and on the
4 same day as a sequestration (if any) under section 251,
5 there shall be a sequestration to reduce the amount of di-
6 rect spending for the fiscal year beginning in the year the
7 Congress adjourns by any amount necessary to reduce
8 such spending to the level set forth in subsection (a) un-
9 less that amount is less than \$250,000,000.

10 “(c) UNIFORM REDUCTIONS; LIMITATIONS.—The
11 amount required to be sequestered for the fiscal year
12 under subsection (a) shall be obtained from nonexempt di-
13 rect spending accounts by actions taken in the following
14 order:

15 “(1) FIRST.—The reductions in the programs
16 specified in section 256(a) (National Wool Act and
17 special milk), section 256(b) (student loans), and
18 section 256(c) (foster care and adoption assistance)
19 shall be made.

20 “(2) SECOND.—Any additional reductions that
21 may be required shall be achieved by reducing each
22 remaining nonexempt direct spending account by the
23 uniform percentage necessary to achieve those addi-
24 tional reductions, except that—

1 “(A) the low-income programs specified in
 2 section 256(d) shall not be reduced by more
 3 than 2 percent;

4 “(B) the retirement and veterans benefits
 5 specified in sections 256(f), (g), and (h) shall
 6 not be reduced by more than 2 percent in the
 7 manner specified in that section; and

8 “(C) the medicare programs shall not be
 9 reduced by more than 2 percent in the manner
 10 specified in section 256(i).

11 The limitations set forth in subparagraphs (A), (B),
 12 and (C) shall be applied iteratively, and after each
 13 iteration the uniform percentage applicable to all
 14 other programs under this paragraph shall be in-
 15 creased (if necessary) to a level sufficient to achieve
 16 the reductions required by this paragraph.”.

17 (b) TABLE OF CONTENTS AMENDMENT.—The table
 18 of contents set forth in 250(c) of the Balanced Budget
 19 and Emergency Deficit Control Act of 1985 is amended
 20 by adding after the item relating to section 252 the fol-
 21 lowing new item:

 “Sec. 252A. Enforcing controls on direct spending.”.

22 **SEC. 202. EXEMPT PROGRAMS AND ACTIVITIES.**

23 Section 255 of the Balanced Budget and Emergency
 24 Deficit Control Act of 1985 is amended to read as follows:

1 **“SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.**

2 “(a) SOCIAL SECURITY BENEFITS; TIER I RAILROAD
3 RETIREMENT BENEFITS; AND CERTAIN MEDICARE BEN-
4 EFITS.—(1) Benefits payable under the old-age, survivors,
5 and disability insurance program established under title
6 II of the Social Security Act, and benefits payable under
7 section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retire-
8 ment Act of 1974, shall be exempt from reduction under
9 any order issued under this part.

10 “(2) Payments made under part A of title XVIII (re-
11 lating to part A medicare hospital insurance benefits) of
12 the Social Security Act and payments made under part
13 C of such title (relating to the Medicare Advantage pro-
14 gram) insofar as they are attributable to part A of such
15 title shall be exempt from reduction under any order
16 issued under this part.

17 “(b) DESCRIPTIONS AND LISTS.—The following
18 budget accounts or activities shall be exempt from seques-
19 tration:

20 “(1) net interest;

21 “(2) all payments to trust funds from excise
22 taxes or other receipts or collections properly cred-
23 itable to those trust funds;

24 “(3) all payments from one Federal direct
25 spending budget account to another Federal budget
26 account; and all intragovernmental funds including

1 those from which funding is derived primarily from
2 other Government accounts, except to the extent
3 that such funds are augmented by direct appropria-
4 tions for the fiscal year for which the order is in ef-
5 fect;

6 “(4) activities resulting from private donations,
7 bequests, or voluntary contributions to the Govern-
8 ment;

9 “(5) payments from any revolving fund or
10 trust-revolving fund (or similar activity) that pro-
11 vides deposit insurance or other Government insur-
12 ance, Government guarantees, or any other form of
13 contingent liability, to the extent those payments re-
14 sult from contractual or other legally binding com-
15 mitments of the Government at the time of any se-
16 questration;

17 “(6) credit liquidating and financing accounts;

18 “(7) the following accounts, which largely fulfill
19 requirements of the Constitution or otherwise make
20 payments to which the Government is committed:

21 “Administration of Territories, Northern
22 Mariana Islands Covenant grants (14-0412-0-
23 1-806);

24 “Armed Forces Retirement Home Trust
25 Fund, payment of claims (84-8930-0-7-705);

1 “Bureau of Indian Affairs, miscellaneous
2 payments to Indians (14-2303-0-1-452);

3 “Bureau of Indian Affairs, miscellaneous
4 trust funds, tribal trust funds (14-9973-0-7-
5 999);

6 “Claims, defense;

7 “Claims, judgments, and relief act (20-
8 1895-0-1-806);

9 “Compact of Free Association, economic
10 assistance pursuant to Public Law 99-658 (14-
11 0415-0-1-806);

12 “Compensation of the President (11-
13 0001-0-1-802);

14 “Customs Service, miscellaneous perma-
15 nent appropriations (20-9992-0-2-852);

16 “Eastern Indian land claims settlement
17 fund (14-2202-0-1-806);

18 “Farm Credit Administration, Limitation
19 on Administration Expenses (78-4131-0-3-
20 351);

21 “Farm Credit System Financial Assistance
22 Corporation, interest payments (20-1850-0-1-
23 351);

24 “Internal Revenue collections of Puerto
25 Rico (20-5737-0-2-852);

1 “Panama Canal Commission, operating ex-
 2 penses and capital outlay (95–5190–0–2–403);

3 “Payments of Vietnam and USS Pueblo
 4 prisoner-of-war claims (15–0104–0–1–153);

5 “Payments to copyright owners (03–5175–
 6 0–2–376);

7 “Payments to health care trust funds (75–
 8 0580–0–1–571);

9 “Payments to social security trust funds
 10 (75–0404–0–1–651);

11 “Payments to the United States terri-
 12 tories, fiscal assistance (14–0418–0–1–801);

13 “Payments to widows and heirs of de-
 14 ceased Members of Congress (00–0215–0–1–
 15 801);

16 “Pension Benefit Guaranty Corporation
 17 Fund (16–4204–0–3–601);

18 “Salaries of Article III judges;

19 “Washington Metropolitan Area Transit
 20 Authority, interest payments (46–0300–0–1–
 21 401);

22 “(8) the following noncredit special, revolving,
 23 or trust-revolving funds:

24 Coinage profit fund (20–5811–0–2–803);

25 “Comptroller of the Currency;

1 “Director of the Office of Thrift Super-
2 vision;

3 “Exchange Stabilization Fund (20-4444-
4 0-3-155);

5 “Federal Housing Finance Board;

6 “Foreign Military Sales trust fund (11-
7 82232-0-7-155);

8 “National Credit Union Administration,
9 central liquidating facility (25-4470-0-3-373);

10 “National Credit Union Administration,
11 credit union insurance fund (25-4468-0-3-
12 373);

13 “National Credit Union Administration op-
14 erating fund (25-4056-0-3-373); and

15 “Resolution Trust Corporation Revolving
16 Fund (22-4055-0-3-373);

17 “(9) Thrift Savings Fund;

18 “(10) appropriations for the District of Colum-
19 bia to the extent they are appropriations of locally
20 raised funds;

21 “(11)(A) any amount paid as regular unemploy-
22 ment compensation by a State from its account in
23 the Unemployment Trust Fund (established by sec-
24 tion 904(a) of the Social Security Act);

1 “(B) any advance made to a State from the
 2 Federal unemployment account (established by sec-
 3 tion 904(g) of such Act) under title XII of such Act
 4 and any advance appropriated to the Federal unem-
 5 ployment account pursuant to section 1203 of such
 6 Act; and

7 “(C) any payment made from the Federal Em-
 8 ployees Compensation Account (as established under
 9 section 909 of such Act) for the purpose of carrying
 10 out chapter 85 of title 5, United States Code, and
 11 funds appropriated or transferred to or otherwise
 12 deposited in such Account; and

13 “(12)(A) FDIC, Bank Insurance Fund (51-
 14 4064-0-3-373);

15 “(B) FDIC, FSLIC Resolution Fund (51-
 16 4065-0-3-373); and

17 “(C) FDIC, Savings Association Insurance
 18 Fund (51-4066-0-3-373).

19 “(c) FEDERAL RETIREMENT AND DISABILITY AC-
 20 COUNTS.—The following Federal retirement and disability
 21 accounts shall be exempt from reduction under any order
 22 issued under this part:

23 “Civil service retirement and disability fund
 24 (24-8135-0-7-602).

1 “Black Lung Disability Trust Fund (20–8144–
2 0–7–601).

3 “Foreign Service Retirement and Disability
4 Fund (19–8186–0–7–602).

5 “District of Columbia Judicial Retirement and
6 Survivors Annuity Fund (20–8212–0–7–602).

7 “Judicial Survivors’ Annuities Fund (10–8110–
8 0–7–602).

9 “Payments to the Railroad Retirement Ac-
10 counts (60–0113–0–1–601).

11 “Tax Court Judges Survivors Annuity Fund
12 (23–8115–0–7–602).

13 “Employees Life Insurance Fund (24–8424–0–
14 8–602).

15 “(d) FEDERAL ADMINISTRATIVE EXPENSES.—

16 “(1) Notwithstanding any provision of law
17 other than paragraph (3), administrative expenses
18 incurred by the departments and agencies, including
19 independent agencies, of the Government in connec-
20 tion with any program, project, activity, or account
21 shall be subject to reduction pursuant to any seques-
22 tration order, without regard to any exemption, ex-
23 ception, limitation, or special rule otherwise applica-
24 ble with respect to such program, project, activity,
25 or account, and regardless of whether the program,

1 project, activity, or account is self-supporting and
2 does not receive appropriations.

3 “(2) Payments made by the Government to re-
4 imburse or match administrative costs incurred by a
5 State or political subdivision under or in connection
6 with any program, project, activity, or account shall
7 not be considered administrative expenses of the
8 Government for purposes of this section, and shall
9 be subject to sequestration to the extent (and only
10 to the extent) that other payments made by the Gov-
11 ernment under or in connection with that program,
12 project, activity, or account are subject to that re-
13 duction or sequestration; except that Federal pay-
14 ments made to a State as reimbursement of admin-
15 istrative costs incurred by that State under or in
16 connection with the unemployment compensation
17 programs specified in subsection (a)(11) shall be
18 subject to reduction or sequestration under this part
19 notwithstanding the exemption otherwise granted to
20 such programs under that subsection.

21 “(3) Notwithstanding any other provision of
22 law, the administrative expenses of the following
23 programs shall be exempt from sequestration:

24 “(A) Comptroller of the Currency.

1 “(B) Federal Deposit Insurance Corpora-
2 tion.

3 “(C) Office of Thrift Supervision.

4 “(D) National Credit Union Administra-
5 tion.

6 “(E) National Credit Union Administra-
7 tion, central liquidity facility.

8 “(F) Federal Retirement Thrift Invest-
9 ment Board.

10 “(G) Resolution Funding Corporation.

11 “(H) Resolution Trust Corporation.

12 “(I) Board of Governors of the Federal
13 Reserve System.

14 “(e) VETERANS’ PROGRAMS.—The following pro-
15 grams shall be exempt from reduction under any order
16 issued under this part:

17 “General Post Funds (36–8180–0–7–705).

18 “Veterans Insurance and Indemnities (36–
19 0120–0–1–701).

20 “Service-Disabled Veterans Insurance Funds
21 (36–4012–0–3–701).

22 “Veterans Reopened Insurance Fund (36–
23 4010–0–3–701).

24 “Servicemembers’ Group Life Insurance Fund
25 (36–4009–0–3–701).

1 “Post-Vietnam Era Veterans Education Ac-
2 count (36–8133–0–7–702).

3 “National Service Life Insurance Fund (36–
4 8132–0–7–701).

5 “United States Government Life Insurance
6 Fund (36–8150–0–7–701).

7 “Veterans Special Life Insurance Fund (36–
8 8455–0–8–701).

9 “(f) OPTIONAL EXEMPTION OF DEFENSE AND
10 HOMELAND SECURITY ACCOUNTS.—

11 “(1) IN GENERAL.—The President may, with
12 respect to any defense or homeland security account,
13 exempt that account from sequestration or provide
14 for a lower uniform percentage reduction than would
15 otherwise apply.

16 “(2) LIMITATION.—The President may not use
17 the authority provided by paragraph (1) unless the
18 President notifies the Congress of the manner in
19 which such authority will be exercised on or before
20 the date specified in section 254(a) for the budget
21 year.”.

22 **SEC. 203. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

23 (a) IN GENERAL.—Section 256 of the Balanced
24 Budget and Emergency Deficit Control Act of 1985 is
25 amended to read as follows:

1 **“SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL**
2 **RULES.**

3 “(a) NATIONAL WOOL ACT AND THE SPECIAL MILK
4 PROGRAM.—Automatic spending increases are increases
5 in outlays due to changes in indexes in the following pro-
6 grams:

7 “(1) National Wool Act.

8 “(2) Special milk program.

9 In those programs all amounts other than the automatic
10 spending increases shall be exempt from reduction under
11 any sequestration order.

12 “(b) STUDENT LOANS.—For all student loans under
13 part B or D of title IV of the Higher Education Act of
14 1965 made during the period when a sequestration order
15 under section 254 is in effect as required by section 252
16 or 253, origination fees under sections 438(c)(2) and
17 455(c) of that Act shall each be increased by 0.50 percent-
18 age point.

19 “(c) FOSTER CARE AND ADOPTION ASSISTANCE
20 PROGRAMS.—Any sequestration order shall make the re-
21 duction otherwise required under the foster care and adop-
22 tion assistance programs (established by part E of title
23 IV of the Social Security Act) only with respect to pay-
24 ments and expenditures made by States in which increases
25 in foster care maintenance payment rates or adoption as-
26 sistance payment rates (or both) are to take effect during

1 the fiscal year involved, and only to the extent that the
2 required reduction can be accomplished by applying a uni-
3 form percentage reduction to the Federal matching pay-
4 ments that each such State would otherwise receive under
5 section 474 of that Act (for such fiscal year) for that por-
6 tion of the State's payments attributable to the increases
7 taking effect during that year. No State's matching pay-
8 ments from the Government for foster care maintenance
9 payments or for adoption assistance maintenance pay-
10 ments may be reduced by a percentage exceeding the ap-
11 plicable domestic sequestration percentage. No State may,
12 after the date of the enactment of this Act, make any
13 change in the timetable for making payments under a
14 State plan approved under part E of title IV of the Social
15 Security Act which has the effect of changing the fiscal
16 year in which expenditures under such part are made.

17 “(d) LOW-INCOME PROGRAMS.—(1) Benefit pay-
18 ments or payments to States or other entities for the pro-
19 grams listed in paragraph (2) shall not be reduced by
20 more than 2 percent under any sequestration order. When
21 reduced under an end-of-session sequestration order, those
22 benefit reductions shall occur starting with the payment
23 made at the start of January. When reduced under a with-
24 in-session sequestration order, those benefit reductions
25 shall occur starting with the next periodic payment.

1 “(2) The programs referred to in paragraph (1) are
2 the following:

3 “Child Nutrition (12–3539–0–1–605).

4 “Food Stamp Programs (12–3505–0–1–605).

5 “Grants to States for Medicaid (75–0512–0–1–
6 551).

7 “State Children’s Health Insurance Fund (75–
8 0515–0–1–551).

9 “Supplemental Security Income Program (75–
10 0406–0–1–609).

11 “Temporary Assistance for Needy Families
12 (75–1552–0–1–609).

13 “Special supplemental nutrition program for
14 women, infants, and children (WIC) (12–3510–0–1–
15 605).

16 “(e) VETERANS’ MEDICAL CARE.—The maximum
17 permissible reduction in budget authority for Veterans’
18 medical care (36–0160–0–1–703) for any fiscal year, pur-
19 suant to an order issued under section 254, shall be 2
20 percent.

21 “(f) FEDERAL RETIREMENT PROGRAMS.—

22 “(1) For each of the programs listed in para-
23 graph (2) and except as provided in paragraph (3),
24 monthly (or other periodic) benefit payments shall
25 be reduced by the uniform percentage applicable to

1 direct spending sequestrations for such programs,
2 which shall in no case exceed 2 percent under any
3 sequestration order. When reduced under an end-of-
4 session sequestration order, those benefit reductions
5 shall occur starting with the payment made at the
6 start of January or 7 weeks after the order is
7 issued, whichever is later. When reduced under a
8 within-session sequestration order, those benefit re-
9 ductions shall occur starting with the next periodic
10 payment.

11 “(2) The programs subject to paragraph (1)
12 are:

13 “Central Intelligence Agency Retirement
14 and Disability Fund (56–3400–0–1–054).

15 “Comptrollers General Retirement System
16 (05–0107–0–1–801).

17 “Payments to the Foreign Service Retire-
18 ment and Disability Fund (72–1036–0–1–153).

19 “Judicial Officer’ Retirement Fund (10–
20 8122–0–7–602).

21 “Claims Judges’ Retirement Fund (10–
22 8124–0–7–602).

23 “Pensions for former Presidents (47–
24 0105–0–1–802).

1 “National Oceanic and Atmospheric Ad-
2 ministration Retirement (13–1450–0–1–306).

3 “Railroad Industry Pension Fund (60–
4 8011–0–7–601).

5 “Retired pay, Coast Guard (70–0602–0–1–
6 403).

7 “Retirement pay and medical benefits for
8 commissioned officers, Public Health Service
9 (75–0379–0–1–551).

10 “Payments to Civil Service Retirement and
11 Disability Fund (24–0200–0–1–805).

12 “Payments to the Foreign Service Retire-
13 ment and Disability Fund (72–1036–0–1–153)

14 “Payments to Judiciary Trust Funds (10–
15 0941–0–1–752).

16 “(g) VETERANS PROGRAMS.—To achieve the total
17 percentage reduction required by any order issued under
18 this part, the percentage reduction that shall apply to pay-
19 ments under the following programs shall in no event ex-
20 ceed 2 percent:

21 “Canteen Service Revolving Fund (36–4014–0–
22 3–705).

23 “Medical Center Research Organizations (36–
24 4026–0–3–703).

1 “Disability Compensation Benefits (36–0102–
2 0–1–701).

3 “Education Benefits (36–0137–0–1–702).

4 “Vocational Rehabilitation and Employment
5 Benefits (36–0135–0–1–702).

6 “Pensions Benefits (36–0154–0–1–701).

7 “Burial Benefits (36–0139–0–1–701).

8 “Guaranteed Transitional Housing Loans For
9 Homeless Veterans Program Account (36–1119–0–
10 1–704).

11 “Housing Direct Loan Financing Account (36–
12 4127–0–1–704).

13 “Housing Guaranteed Loan Financing Account
14 (36–4129–0–3–704).

15 “Vocational Rehabilitation and Education Di-
16 rect Loan Financing Account (36–4259–0–3–702).

17 “(h) MILITARY HEALTH AND RETIREMENT.—To
18 achieve the total percentage reduction in military retire-
19 ment required by any order issued under this part, the
20 percentage reduction that shall apply to payments under
21 the Military retirement fund (97–8097–0–7–602), pay-
22 ments to the military retirement fund (97–0040–0–1–
23 054), and the Defense Health Program (97–0130–0–1–
24 051) shall in no event exceed 2 percent.

25 “(i) MEDICARE PROGRAM.—

1 “(1) CALCULATION OF REDUCTION IN INDI-
2 VIDUAL PAYMENT AMOUNTS.—To achieve the total
3 percentage reduction in those programs required by
4 any order issued under this part, the percentage re-
5 duction that shall apply to payments under the
6 health insurance programs under title XVIII of the
7 Social Security Act (other than payments described
8 in section 255(a)(2)) that are subject to such order
9 for services furnished after any sequestration order
10 is issued shall be such that the reduction made in
11 payments under that order shall achieve the required
12 total percentage reduction in those payments for
13 that fiscal year as determined on a 12-month basis.
14 However, the percentage reduction under any such
15 program shall in no case exceed 2 percent under any
16 sequestration order.

17 “(2) TIMING OF APPLICATION OF REDUC-
18 TIONS.—If a reduction is made under paragraph (1)
19 in payment amounts pursuant to a sequestration
20 order, the reduction shall be applied to payment for
21 services furnished after the effective date of the
22 order.

23 “(3) NO INCREASE IN BENEFICIARY CHARGES
24 IN ASSIGNMENT-RELATED CASES.—If a reduction in
25 payment amounts is made under paragraph (1) for

1 services for which payment under part B of title
2 XVIII of the Social Security Act is made on the
3 basis of an assignment described in section
4 1842(b)(3)(B)(ii), in accordance with section
5 1842(b)(6)(B), or under the procedure described in
6 section 1870(f)(1) of such Act, the person furnishing
7 the services shall be considered to have accepted
8 payment of the reasonable charge for the services,
9 less any reduction in payment amount made pursu-
10 ant to a sequestration order, as payment in full.

11 “(4) APPLICATION TO PARTS C AND D.—The
12 reductions otherwise required under parts C and D
13 of title XVIII of the Social Security Act with respect
14 to a fiscal year shall be applied to the calendar year
15 that begins after the end of the fiscal year to which
16 the applicable sequestration order applies.

17 “(j) FEDERAL PAY.—

18 “(1) IN GENERAL.—For purposes of any order
19 issued under section 254, new budget authority to
20 pay Federal personnel shall be reduced by the appli-
21 cable uniform percentage, but no sequestration order
22 may reduce or have the effect of reducing the rate
23 of pay to which any individual is entitled under any
24 statutory pay system (as increased by any amount
25 payable under section 5304 of title 5, United States

1 Code, or section 302 of the Federal Employees Pay
2 Comparability Act of 1990) or the rate of any ele-
3 ment of military pay to which any individual is enti-
4 tled under title 37, United States Code, or any in-
5 crease in rates of pay which is scheduled to take ef-
6 fect under section 5303 of title 5, United States
7 Code, section 1009 of title 37, United States Code,
8 or any other provision of law.

9 “(2) DEFINITIONS.—For purposes of this sub-
10 section:

11 “(A) The term ‘statutory pay system’ shall
12 have the meaning given that term in section
13 5302(1) of title 5, United States Code.

14 “(B) The term ‘elements of military pay’
15 means—

16 “(i) the elements of compensation of
17 members of the uniformed services speci-
18 fied in section 1009 of title 37, United
19 States Code,

20 “(ii) allowances provided members of
21 the uniformed services under sections 403a
22 and 405 of such title, and

23 “(iii) cadet pay and midshipman pay
24 under section 203(c) of such title.

1 “(C) The term ‘uniformed services’ shall
2 have the meaning given that term in section
3 101(3) of title 37, United States Code.

4 “(k) CHILD SUPPORT ENFORCEMENT PROGRAM.—
5 Any sequestration order shall accomplish the full amount
6 of any required reduction in expenditures under sections
7 455 and 458 of the Social Security Act by reducing the
8 Federal matching rate for State administrative costs
9 under such program, as specified (for the fiscal year in-
10 volved) in section 455(a) of such Act, to the extent nec-
11 essary to reduce such expenditures by that amount.

12 “(l) EXTENDED UNEMPLOYMENT COMPENSATION.—
13 (1) A State may reduce each weekly benefit payment made
14 under the Federal-State Extended Unemployment Com-
15 pensation Act of 1970 for any week of unemployment oc-
16 ccurring during any period with respect to which payments
17 are reduced under an order issued under this title by a
18 percentage not to exceed the percentage by which the Fed-
19 eral payment to the State under section 204 of such Act
20 is to be reduced for such week as a result of such order.

21 “(2) A reduction by a State in accordance with sub-
22 paragraph (A) shall not be considered as a failure to fulfill
23 the requirements of section 3304(a)(11) of the Internal
24 Revenue Code of 1954.

25 “(m) COMMODITY CREDIT CORPORATION.—

1 “(1) POWERS AND AUTHORITIES OF THE COM-
2 MODITY CREDIT CORPORATION.—This title shall not
3 restrict the Commodity Credit Corporation in the
4 discharge of its authority and responsibility as a cor-
5 poration to buy and sell commodities in world trade,
6 to use the proceeds as a revolving fund to meet
7 other obligations and otherwise operate as a corpora-
8 tion, the purpose for which it was created.

9 “(2) REDUCTION IN PAYMENTS MADE UNDER
10 CONTRACTS.—(A) Payments and loan eligibility
11 under any contract entered into with a person by the
12 Commodity Credit Corporation prior to the time any
13 sequestration order has been issued shall not be re-
14 duced by an order subsequently issued. Subject to
15 subparagraph (B), after any sequestration order is
16 issued for a fiscal year, any cash payments made by
17 the Commodity Credit Corporation—

18 “(i) under the terms of any one-year con-
19 tract entered into in or after such fiscal year
20 and after the issuance of the order; and

21 “(ii) out of an entitlement account,
22 to any person (including any producer, lender, or
23 guarantee entity) shall be subject to reduction under
24 the order.

1 “(B) Each contract entered into with producers
2 or producer cooperatives with respect to a particular
3 crop of a commodity and subject to reduction under
4 subparagraph (A) shall be reduced in accordance
5 with the same terms and conditions. If some, but
6 not all, contracts applicable to a crop of a com-
7 modity have been entered into prior to the issuance
8 of any sequestration order, the order shall provide
9 that the necessary reduction in payments under con-
10 tracts applicable to the commodity be uniformly ap-
11 plied to all contracts for succeeding crops of the
12 commodity, under the authority provided in para-
13 graph (3).

14 “(3) DELAYED REDUCTION IN OUTLAYS PER-
15 MISSIBLE.—Notwithstanding any other provision of
16 this title, if any sequestration order is issued with
17 respect to a fiscal year, any reduction under the
18 order applicable to contracts described in paragraph
19 (2) may provide for reductions in outlays for the ac-
20 count involved to occur in the fiscal years following
21 the fiscal year to which the order applies.

22 “(4) UNIFORM PERCENTAGE RATE OF REDUC-
23 TION AND OTHER LIMITATIONS.—All reductions de-
24 scribed in paragraph (2) that are required to be

1 made in connection with any sequestration order
2 with respect to a fiscal year—

3 “(A) shall be made so as to ensure that
4 outlays for each program, project, activity, or
5 account involved are reduced by a percentage
6 rate that is uniform for all such programs,
7 projects, activities, and accounts, and may not
8 be made so as to achieve a percentage rate of
9 reduction in any such item exceeding the rate
10 specified in the order; and

11 “(B) with respect to commodity price sup-
12 port and income protection programs, shall be
13 made in such manner and under such proce-
14 dures as will attempt to ensure that—

15 “(i) uncertainty as to the scope of
16 benefits under any such program is mini-
17 mized;

18 “(ii) any instability in market prices
19 for agricultural commodities resulting from
20 the reduction is minimized; and

21 “(iii) normal production and mar-
22 keting relationships among agricultural
23 commodities (including both contract and
24 non-contract commodities) are not dis-
25 torted.

1 In meeting the criterion set out in clause (iii)
2 of subparagraph (B) of the preceding sentence,
3 the President shall take into consideration that
4 reductions under an order may apply to pro-
5 grams for two or more agricultural commodities
6 that use the same type of production or mar-
7 keting resources or that are alternative com-
8 modities among which a producer could choose
9 in making annual production decisions.

10 “(5) CERTAIN AUTHORITY NOT TO BE LIM-
11 ITED.—Nothing in this title shall limit or reduce in
12 any way any appropriation that provides the Com-
13 modity Credit Corporation with funds to cover the
14 Corporation’s net realized losses.

15 “(n) POSTAL SERVICE FUND.—Notwithstanding any
16 other provision of law, any sequestration of the Postal
17 Service Fund shall be accomplished by a payment from
18 that Fund to the General Fund of the Treasury, and the
19 Postmaster General of the United States shall make the
20 full amount of that payment during the fiscal year to
21 which the presidential sequestration order applies.

22 “(o) EFFECTS OF SEQUESTRATION.—The effects of
23 sequestration shall be as follows:

24 “(1) Budgetary resources sequestered from any
25 account other than an entitlement trust, special, or

1 revolving fund account shall revert to the Treasury
2 and be permanently canceled.

3 “(2) Except as otherwise provided, the same
4 percentage sequestration shall apply to all programs,
5 projects, and activities within a budget account (with
6 programs, projects, and activities as delineated in
7 the appropriation Act or accompanying report for
8 the relevant fiscal year covering that account, or for
9 accounts not included in appropriation Acts, as de-
10 lineated in the most recently submitted President’s
11 budget).

12 “(3) Administrative regulations or similar ac-
13 tions implementing a sequestration shall be made
14 within 120 days of the sequestration order. To the
15 extent that formula allocations differ at different
16 levels of budgetary resources within an account, pro-
17 gram, project, or activity, the sequestration shall be
18 interpreted as producing a lower total appropriation,
19 with that lower appropriation being obligated as
20 though it had been the pre-sequestration appropria-
21 tion and no sequestration had occurred.

22 “(4) Except as otherwise provided, obligations
23 in sequestered direct spending accounts shall be re-
24 duced in the fiscal year in which a sequestration oc-
25 curs and in all succeeding fiscal years.

1 “(5) If an automatic spending increase is se-
 2 questered, the increase (in the applicable index) that
 3 was disregarded as a result of that sequestration
 4 shall not be taken into account in any subsequent
 5 fiscal year.

6 “(6) Except as otherwise provided, sequestra-
 7 tion in accounts for which obligations are indefinite
 8 shall be taken in a manner to ensure that obliga-
 9 tions in the fiscal year of a sequestration and suc-
 10 ceeding fiscal years are reduced, from the level that
 11 would actually have occurred, by the applicable se-
 12 questration percentage.”.

13 (b) CONFORMING AMENDMENT.—The table of con-
 14 tents set forth in 250(c) of the Balanced Budget and
 15 Emergency Deficit Control Act of 1985 is amended by
 16 amending the item relating to section 256 to read as fol-
 17 lows:

 “Sec. 256. Exceptions, limitations, and special rules.”.

18 **SEC. 204. POINT OF ORDER.**

19 (a) ENTITLEMENT POINT OF ORDER.—Section 312
 20 of the Congressional Budget Act of 1974 is amended by
 21 adding at the end the following new subsection:

22 “(g) ENTITLEMENT POINT OF ORDER.—It shall not
 23 be in order in the House of Representatives or the Senate
 24 to consider any bill, joint resolution, amendment, or con-
 25 ference report that—

1 “(1) increases aggregate level of direct spending
2 for any ensuing fiscal year; or

3 “(2) includes any provision that has the effect
4 of modifying the application of section 252A of the
5 Balanced Budget and Emergency Deficit Control
6 Act of 1985 to any entitlement program subject to
7 sequestration or exempt from sequestration under
8 such Act.”.

9 **SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS.**

10 The Balanced Budget and Emergency Deficit Control
11 Act of 1985 is amended as follows:

12 (1) Section 251(a)(1) is amended by inserting
13 “, section 252A,” after “section 252”.

14 (2) Section 254(c)(4)(B) is amended by insert-
15 ing “or section 252A” after “section 252”.

16 (3) Section 254(c) is amended by redesignating
17 paragraph (5) as paragraph (6) and by inserting
18 after paragraph (4) the following new paragraph:

19 “(5) DIRECT SPENDING CONTROL SEQUESTRA-
20 TION REPORTS.—The preview reports shall set forth,
21 for the current year and the budget year, estimates
22 for each of the following:

23 “(A) The total level of direct spending for
24 all programs, projects, and activities (excluding
25 social security).

1 “(B) The sequestration percentage or (if
2 the required sequestration percentage is greater
3 than the maximum allowable percentage) per-
4 centages necessary to comply with section
5 252A.”.

6 (4) Section 254(f) is amended by redesignating
7 paragraphs (4) and (5) as paragraphs (5) and (6)
8 and by inserting after paragraph (3) the following
9 new paragraph:

10 “(4) DIRECT SPENDING CONTROL SEQUESTRA-
11 TION REPORTS.—The final reports shall contain all
12 the information required in the direct spending con-
13 trol sequestration preview reports. In addition, these
14 reports shall contain, for the budget year, for each
15 account to be sequestered, estimates of the baseline
16 level of sequesterable budgetary resources and re-
17 sulting outlays and the amount of budgetary re-
18 sources to be sequestered and resulting outlay reduc-
19 tions. The reports shall also contain estimates of the
20 effects on outlays of the sequestration in each out-
21 year for direct spending programs.”.

22 (5) Section 258C(a)(1) is amended by inserting
23 “, 252A,” after “section 252”.

1 (6) Section 275(b) is amended by striking
2 “2002” and inserting “2018” and by striking the
3 second sentence thereof.

4 **SEC. 206. ESTABLISHMENT OF BUDGET PROTECTION MAN-**
5 **DATORY ACCOUNT.**

6 Title III of the Congressional Budget Act of 1974
7 (as amended by section 521) is further amended by adding
8 at the end the following new section:

9 “BUDGET PROTECTION MANDATORY ACCOUNT

10 “SEC. 320. (a) ESTABLISHMENT OF ACCOUNT.—The
11 chairman of the Committee on the Budget of the House
12 of Representatives and of the Senate shall each maintain
13 an account to be known as the ‘Budget Protection Manda-
14 tory Account’. The Account shall be divided into entries
15 corresponding to the House or Senate committees, as ap-
16 plicable, that received allocations under section 302(a) in
17 the most recently adopted concurrent resolution on the
18 budget, except that it shall not include the Committee on
19 Appropriations of that House and each entry shall consist
20 of the ‘First Year Budget Protection Balance’ and the
21 ‘Five Year Budget Protection Balance’.

22 “(b) COMPONENTS.—Each entry shall consist only of
23 amounts credited to it under subsection (c). No entry of
24 a negative amount shall be made.

25 “(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1)
26 Whenever a Member or Senator, as the case may be, offers

1 an amendment to a bill that reduces the amount of man-
2 datory budget authority provided either under current law
3 or proposed to be provided by the bill under consideration,
4 that Member or Senator may state the portion of such
5 reduction achieved in the first year covered by the most
6 recently adopted concurrent resolution on the budget and
7 in addition the portion of such reduction achieved in the
8 first five years covered by the most recently adopted con-
9 current resolution on the budget that shall be—

10 “(A) credited to the First Year Budget Protec-
11 tion Balance and the Five Year Budget Protection
12 Balance in the House or Senate, as applicable;

13 “(B) used to offset an increase in other new
14 budget authority;

15 “(C) allowed to remain within the applicable
16 section 302(a) allocation; or

17 “(D) used to offset a decrease in receipts.

18 If no such statement is made, the amount of reduction
19 in new budget authority resulting from the amendment
20 shall be credited to the First Year Budget Protection Bal-
21 ance and the Five Year Budget Protection Balance, as ap-
22 plicable, if the amendment is agreed to.

23 “(2) Except as provided by paragraph (3), the chair-
24 man of the Committee on the Budget of the House or Sen-
25 ate, as applicable, shall, upon the engrossment of any bill,

1 other than an appropriation bill, by the House or Senate,
2 as applicable, credit to the applicable entry balances
3 amounts of new budget authority and outlays equal to the
4 net amounts of reductions in budget authority and in out-
5 lays resulting from amendments agreed to by that House
6 to that bill.

7 “(3) When computing the net amounts of reductions
8 in budget authority and in outlays resulting from amend-
9 ments agreed to by the House or Senate, as applicable,
10 to a bill, the chairman of the Committee on the Budget
11 of that House shall only count those portions of such
12 amendments agreed to that were so designated by the
13 Members or Senators offering such amendments as
14 amounts to be credited to the First Year Budget Protec-
15 tion Balance and the Five Year Budget Protection Bal-
16 ance, or that fall within the last sentence of paragraph
17 (1).

18 “(4) The chairman of the Committee on the Budget
19 of the House and of the Senate shall each maintain a run-
20 ning tally of the amendments adopted reflecting increases
21 and decreases of budget authority in the bill as reported
22 to its House. This tally shall be available to Members or
23 Senators during consideration of any bill by that House.

24 “(d) CALCULATION OF LOCK-BOX SAVINGS IN
25 HOUSE AND SENATE.—For the purposes of enforcing sec-

tion 302(a), upon the engrossment of any bill, other than an appropriation bill, by the House or Senate, as applicable, the amount of budget authority and outlays calculated pursuant to subsection (c)(3) shall be counted against the 302(a) allocation provided to the applicable committee or committees of that House which reported the bill as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

“(e) DEFINITION.—As used in this section, the term ‘appropriation bill’ means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2009 or any subsequent fiscal year, as the case may be.”.

Subtitle B—Discretionary Spending Limits

SEC. 211. ENFORCING DISCRETIONARY SPENDING LIMITS.

(a) DISCRETIONARY SPENDING LIMITS.—Sections 251(b) and (c) of the Balanced Budget and Emergency Deficit Control of Act of 1985 are amended to read as follows:

“(b) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term ‘discretionary spending limit’ means—
“(1) with respect to fiscal year 2009—

1 “(A) \$926,378,000,000 in new budget au-
2 thority of which no more than
3 \$344,775,000,000 shall be for the nondefense
4 category; and

5 “(B) \$992,720,000,000 in outlays of which
6 no more than \$376,020,000,000 shall be for the
7 nondefense category;

8 “(2) with respect to fiscal year 2010—

9 “(A) \$946,503,000,000 in new budget au-
10 thority of which no more than
11 \$404,483,000,000 shall be for the nondefense
12 category; and

13 “(B) \$1,006,518,000,000 in outlays of
14 which no more than \$436,940,000,000 shall be
15 for the nondefense category;

16 “(3) with respect to fiscal year 2011—

17 “(A) \$969,387,000,000 in new budget au-
18 thority of which no more than
19 \$421,343,000,000 shall be for the nondefense
20 category; and

21 “(B) \$1,024,601,000,000 in outlays of
22 which no more than \$469,240,000,000 shall be
23 for the nondefense category;

24 “(4) with respect to fiscal year 2012—

1 “(A) \$992,727,000,000 in new budget au-
 2 thority of which no more than
 3 \$435,814,000,000 shall be for the nondefense
 4 category; and

5 “(B) \$1,034,486,000,000 in outlays of
 6 which no more than \$485,720,000,000 shall be
 7 for the nondefense category; and

8 “(5) with respect to fiscal year 2013—

9 “(A) \$1,016,876,000,000 in new budget
 10 authority of which no more than
 11 \$451,015,000,000 shall be for the nondefense
 12 category; and

13 “(B) \$1,061,007,000,000 in outlays of
 14 which no more than \$501,500,000,000 shall be
 15 for the nondefense category;”.

16 (b) DISCRETIONARY SPENDING LIMIT POINT OF
 17 ORDER.—Section 312 of the Congressional Budget Act of
 18 1974 (as amended by section 214(a)) is further amended
 19 by adding at the end the following new subsection:

20 “(h) DISCRETIONARY SPENDING LIMIT POINT OF
 21 ORDER.—It shall not be in order in the House of Rep-
 22 resentatives or the Senate to consider any bill, joint resolu-
 23 tion, amendment, or conference report that—

24 “(1) increases the discretionary spending limits
 25 for any ensuing fiscal year after the budget year; or

1 “(2) would cause the discretionary spending
2 limits for the budget year to be breached.”.

3 (c) ADVANCE APPROPRIATION POINT OF ORDER.—
4 Section 312 of the Congressional Budget Act of 1974 (as
5 amended by this section) is further amended by adding
6 at the end the following new subsection:

7 “(i) ADVANCE APPROPRIATION POINT OF ORDER.—
8 It shall not be in order in the House of Representatives
9 or the Senate to consider any appropriation bill or joint
10 resolution, or amendment thereto or conference report
11 thereon, that provides advance discretionary new budget
12 authority that first becomes available for any fiscal year
13 after the budget year at an amount for any program,
14 project, or activity above the amount of appropriations for
15 fiscal year 2007 for such program, project, or activity.”.

16 **SEC. 212. ESTABLISHMENT OF BUDGET PROTECTION DIS-**
17 **CRETIONARY ACCOUNT.**

18 (a) BUDGET PROTECTION DISCRETIONARY AC-
19 COUNT.—Title III of the Congressional Budget Act of
20 1974 (as amended by section 206) is further amended by
21 adding at the end the following new section:

22 “BUDGET PROTECTION DISCRETIONARY ACCOUNT

23 “SEC. 321. (a) ESTABLISHMENT OF ACCOUNT.—The
24 chairman of the Committee on the Budget of the House
25 of Representatives and of the Senate shall each maintain
26 an account to be known as the ‘Budget Protection Discre-

1 tionary Account'. The Account shall be divided into entries
 2 corresponding to the subcommittees of the Committee on
 3 Appropriations of that House and each entry shall consist
 4 of the 'Budget Protection Balance'.

5 “(b) COMPONENTS.—Each entry shall consist only of
 6 amounts credited to it under subsection (c). No entry of
 7 a negative amount shall be made.

8 “(c) CREDITING OF AMOUNTS TO ACCOUNT.—(1)
 9 Whenever a Member or Senator, as the case may be, offers
 10 an amendment to an appropriation bill to reduce new
 11 budget authority in any account, that Member or Senator
 12 may state the portion of such reduction that shall be—

13 “(A) credited to the Budget Protection Balance;

14 “(B) used to offset an increase in new budget
 15 authority in any other account; or

16 “(C) allowed to remain within the applicable
 17 section 302(b) suballocation.

18 If no such statement is made, the amount of reduction
 19 in new budget authority resulting from the amendment
 20 shall be credited to the Budget Protection Balance, as ap-
 21 plicable, if the amendment is agreed to.

22 “(2) Except as provided by paragraph (3), the chair-
 23 man of the Committee on the Budget of the House or Sen-
 24 ate, as applicable, shall, upon the engrossment of any ap-
 25 propriation bill by the House or Senate, as applicable,

1 credit to the applicable entry balances amounts of new
2 budget authority and outlays equal to the net amounts of
3 reductions in budget authority and in outlays resulting
4 from amendments agreed to by that House to that bill.

5 “(3) When computing the net amounts of reductions
6 in new budget authority and in outlays resulting from
7 amendments agreed to by the House or Senate, as applica-
8 ble, to an appropriation bill, the chairman of the Com-
9 mittee on the Budget of that House shall only count those
10 portions of such amendments agreed to that were so des-
11 ignated by the Members offering such amendments as
12 amounts to be credited to the Budget Protection Balance,
13 or that fall within the last sentence of paragraph (1).

14 “(4) The chairman of the Committee on the Budget
15 of the House and of the Senate shall each maintain a run-
16 ning tally of the amendments adopted reflecting increases
17 and decreases of budget authority in the bill as reported
18 to its House. This tally shall be available to Members or
19 Senators during consideration of any bill by that House.

20 “(d) CALCULATION OF LOCK-BOX SAVINGS IN
21 HOUSE AND SENATE.—(1) For the purposes of enforcing
22 section 302(a), upon the engrossment of any appropriation
23 bill by the House or Senate, as applicable, the amount of
24 budget authority and outlays calculated pursuant to sub-
25 section (c)(3) shall be counted against the 302(a) alloca-

tion provided to the Committee on Appropriations as if the amount calculated pursuant to subsection (c)(3) was included in the bill just engrossed.

“(2) For purposes of enforcing section 302(b), upon the engrossment of any appropriation bill by the House or Senate, as applicable, the 302(b) allocation provided to the subcommittee for the bill just engrossed shall be deemed to have been reduced by the amount of budget authority and outlays calculated, pursuant to subsection (c)(3).

“(e) DEFINITION.—As used in this section, the term ‘appropriation bill’ means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2010 or any subsequent fiscal year, as the case may be.”.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 319 the following new items:

“Sec. 320. Budget protection mandatory account.

“Sec. 321. Budget protection discretionary account.”.

SEC. 213. REVENUE ADJUSTMENT.

If an amendment is designated to be used to offset a decrease in receipts for a fiscal year pursuant to section

1 320(c)(1)(D) or section 321(c)(1)(D) of the Congressional
 2 Budget Act of 1974, then the applicable level of revenues
 3 for such fiscal year for purposes of section 311(a) of such
 4 Act shall be reduced by the amount of such amendment.

5 **Subtitle C—Long-Term Unfunded** 6 **Obligations**

7 **SEC. 221. LONG-TERM UNFUNDED OBLIGATIONS.**

8 (a) IN GENERAL.—Title IV of the Congressional
 9 Budget Act of 1974 is amended by adding at the end the
 10 following:

11 **“PART C—LONG-TERM UNFUNDED OBLIGATIONS**

12 **“SEC. 441. ANALYSIS OF LONG-TERM UNFUNDED OBLIGA-** 13 **TIONS.**

14 “Beginning in fiscal year 2009, the President’s budg-
 15 et submission shall include an analysis of long-term un-
 16 funded obligations. This analysis shall include:

17 “(1) An analysis of the impact of long-term un-
 18 funded obligations in applicable entitlement pro-
 19 grams on the long-term level of unified budget out-
 20 lays and the unified budget surplus or deficit, in re-
 21 lation to the projected level of the Gross Domestic
 22 Product.

23 “(2) A report on the impact of legislation en-
 24 acted during the previous session of Congress that

1 increases the long-term unfunded obligation in any
2 applicable group of entitlement program.

3 “(3) An analysis of the impact of legislation
4 proposed in the President’s budget on the long-term
5 unfunded obligation in any applicable entitlement
6 program.

7 **“SEC. 442. POINT OF ORDER AGAINST LEGISLATION IN-**
8 **CREASING LONG-TERM UNFUNDED OBLIGA-**
9 **TIONS.**

10 “It shall not be in order in the House of Representa-
11 tives or in the Senate to consider any bill, joint resolution,
12 motion, amendment, or conference report that would in-
13 crease the long-term unfunded obligation in any applicable
14 group of entitlement programs.

15 **“SEC. 443. STANDARD FOR DETERMINING INCREASE IN**
16 **LONG-TERM UNFUNDED OBLIGATION.**

17 “For the purpose of this part, legislation shall be con-
18 sidered to increase the long-term unfunded obligation of
19 an applicable group of entitlement programs if it either—

20 “(1) increases the excess of the discounted
21 present value of the expenditures of programs in the
22 group above the discounted present value of the
23 dedicated receipts of programs in the group over a
24 long-term estimating period by more than an appli-
25 cable threshold; or

1 “(2) increases the dollar level of the expendi-
2 tures of programs in the group above the dedicated
3 receipts of programs in the group above the dedi-
4 cated receipts of programs in the group in the last
5 year of the estimating period by more than the ap-
6 plicable threshold.

7 **“SEC. 444. LONG-TERM UNFUNDED OBLIGATION ANALYSES**
8 **BY CONGRESSIONAL BUDGET OFFICE.**

9 “The Director of the Congressional Budget Office
10 shall, to the extent practicable, prepare for each bill or
11 resolution of a public character reported by any committee
12 of the House of Representatives or the Senate (except the
13 Committee on Appropriations of each House), and submit
14 to such committee—

15 “(1) an estimate of any increase of the long-
16 term unfunded obligation of any applicable entitle-
17 ment program which would be incurred in carrying
18 out such bill or resolution as measured by the in-
19 crease of the excess of the discounted present value
20 of the expenditures of such program above the dis-
21 counted present value of the dedicated receipts of
22 such program over a long-term estimating period by
23 more than an applicable threshold; and

24 “(2) an estimate of any increase in the dollar
25 level of the expenditures of such program above the

1 dedicated receipts of such program above the dedi-
2 cated receipts of such program in the last year of
3 the estimating period by more than the applicable
4 threshold.

5 The estimates and description so submitted shall be in-
6 cluded in the report accompanying such bill or resolution
7 if timely submitted to such committee before such report
8 is filed.

9 **“SEC. 445. DEFINITIONS.**

10 “As used in this part—

11 “(1) the term ‘applicable entitlement program’
12 shall be defined as any one of the following pro-
13 grams:

14 “(A) Old Age, Survivors, and Disability In-
15 surance.

16 “(B) Medicare.

17 “(C) Civilian retirement and disability
18 (combined Civil Service Retirement System and
19 Federal Employees Retirement System).

20 “(D) Foreign Service Retirement and Dis-
21 ability (combined Foreign Service Retirement
22 and Disability System and Foreign Service Pen-
23 sion System).

24 “(E) Retired Employees Health Benefits.

25 “(F) Military Retirement System.

1 “(G) Uniformed Services Retiree Health
2 Care System.

3 “(H) Railroad Retirement System (com-
4 bined Rail Industry Pension Fund, Social Secu-
5 rity Equivalent Benefit Account, and National
6 Railroad Retirement Investment Trust).

7 “(I) Supplemental Security Income (SSI).

8 “(J) For estimates made on or after Janu-
9 ary 1, 2008, veterans disability compensation.

10 “(K) Any other entitlement program with
11 regularly available long-term estimates.

12 “(2) The term ‘entitlement program with regu-
13 larly available long-term estimates’ means a program
14 for which the Director of the Congressional Budget
15 Office, in consultation with the Committees on the
16 Budget of the House of Representatives and the
17 Senate and the Director of the Office of Manage-
18 ment and Budget, has determined that it is feasible
19 to make long-term estimates of expenditures and
20 dedicated receipts based on explicit demographic,
21 economic, and other estimating assumptions. The
22 Director shall notify the House and Senate Commit-
23 tees on the Budget in writing, whenever he or she
24 makes such a determination.

1 “(3) The term ‘applicable group of entitlement
2 programs’ shall be defined as any of the following:

3 “(A) Old Age, Survivors, and Disability In-
4 surance.

5 “(B) All applicable entitlement programs
6 except Old Age, Survivors, and Disability Insur-
7 ance.

8 “(4) The term ‘long-term estimating period’
9 shall be defined as 75 years, starting with the cur-
10 rent year, for all applicable entitlement programs ex-
11 cept for Old Age, Survivors, and Disability Insur-
12 ance. For Old Age, Survivors, and Disability Insur-
13 ance, the term shall be defined as the infinite period
14 of years utilized in the most recent annual report of
15 the Board of Trustees provided pursuant to section
16 201(c)(2) of the Social Security Act.

17 “(5) The term ‘last year of the estimating pe-
18 riod’ shall be defined as the 75th year of the long-
19 term estimating period.

20 “(6) The term ‘dedicated receipts’ shall be de-
21 fined, for all applicable entitlement programs other
22 than Medicare, as taxes and fees received from the
23 public, payments received from Federal agencies on
24 behalf of Federal agency employees who are partici-
25 pants in the program, transfers received by the pro-

1 gram under section 7(c)(2) of the Railroad Retirement
2 Act of 1974 (45 U.S.C. 231f(c)(2)), and transfers
3 from the general fund of amounts equivalent to
4 income tax receipts under section 86 of the Internal
5 Revenue Code. Dedicated receipts shall not include
6 payments from the general fund to amortize a program's
7 unfunded liability or payments of interest on
8 a program's trust fund holdings. For Medicare,
9 'dedicated receipts' shall be defined according to section
10 801(c)(3) of the Medicare Prescription Drug,
11 Improvement, and Modernization Act of 2003.

12 “(7) The term ‘expenditures’ shall be defined,
13 for all applicable entitlement programs other than
14 Medicare, to include benefit payments, administrative
15 expenses to the extent paid from a dedicated
16 fund, and transfers to other programs made under
17 section 7(c)(2) of the Railroad Retirement Act of
18 1974 (45 U.S.C. 231f(c)(2)). For Medicare, ‘expenditures’
19 shall be defined according to section
20 801(c)(4) of the Medicare prescription Drug, Improvement,
21 and Modernization Act of 2003.

22 “(8) The term ‘applicable threshold’ shall be
23 defined as:

24 “(A) For a group of applicable entitlement
25 programs over a long-term estimating period—

1 “(i) 0.02 percent of the present value
 2 of the taxable payroll of the group of pro-
 3 grams over the estimating period, for legis-
 4 lation affecting Old Age, Survivors, and
 5 Disability Insurance or Medicare; and

6 “(ii) 1 percent of the present value of
 7 the expenditures over the estimating period
 8 of the programs in the group that are af-
 9 fected by the legislation.

10 “(B) For a group of applicable entitlement
 11 programs in the last year of the estimating pe-
 12 riod—

13 “(i) 0.02 percent of the taxable pay-
 14 roll of the group of programs in that year,
 15 for legislation affecting Old Age, Survivors,
 16 and Disability Insurance or Medicare;

17 “(ii) 0.01 percent of Gross Domestic
 18 Product in that year; or

19 “(iii) 1 percent of the expenditures in
 20 that year of the programs in the group
 21 that are affected by the legislation.”.

22 (b) CONFORMING AMENDMENT.—The table of con-
 23 tents set forth in section 1(b) of the Congressional Budget
 24 and Impoundment Control Act of 1974 is amended by
 25 adding after the item relating to section 428 the following:

“PART C—LONG-TERM UNFUNDED OBLIGATIONS

“Sec. 441. Analysis of long-term unfunded obligations.

“Sec. 442. Point of order against legislation increasing long-term unfunded obligations.

“Sec. 443. Standard for determining increase in long-term unfunded obligation.

“Sec. 444. Long-term unfunded obligation analyses by congressional budget office.

“Sec. 445. Definitions.”.

1 SEC. 222. POINTS OF ORDER.

2 Section 904 of the Congressional Budget Act of 1974

3 is amended as follows:

4 (1) Subsection (c)(1) is amended by adding
5 “442,” after “310(d)(2), 313,”.

6 (2) Subsection (d)(2) is amended by adding
7 “442,” after “310(d)(2), 313,”.

8 SEC. 223. SOCIAL SECURITY.

9 Section 13302(a) of subtitle C of the Budget En-
10 forcement Act of 1990 is amended to read as follows:

11 “(a) IN GENERAL.—It shall be not be in order in the
12 House of Representatives to consider any bill, or joint res-
13 olution, as reported, or any amendment thereto or con-
14 ference report thereon, if, upon enactment, such legisla-
15 tion under consideration would increase the long-term un-
16 funded obligation of the OASDI program, as defined in
17 section 443 of the Congressional Budget Act of 1974.”.

1 **TITLE III—COMBATING WASTE,**
2 **FRAUD, AND ABUSE**
3 **Subtitle A—Sunsetting**

4 **SEC. 301. REAUTHORIZATION OF DISCRETIONARY PRO-**
5 **GRAMS AND UNEARNED ENTITLEMENTS.**

6 (a) FISCAL YEAR 2011.—Effective October 1, 2010,
7 spending authority for each unearned entitlement and
8 high-cost discretionary spending program is frozen at then
9 current levels unless such spending authority is reauthor-
10 ized after the date of enactment of this Act.

11 (b) FISCAL YEAR 2012.—Effective October 1, 2011,
12 spending authority for each discretionary spending pro-
13 gram (not including high-cost discretionary spending pro-
14 grams) is frozen at then current levels unless such spend-
15 ing authority is reauthorized after the date of enactment
16 of this Act.

17 (c) DEFINITIONS.—For purposes of this title—

18 (1) the term “unearned entitlement” means an
19 entitlement not earned by service or paid for in total
20 or in part by assessments or contributions such as
21 Social Security, veterans’ benefits, retirement pro-
22 grams, and medicare; and

23 (2) the term “high-cost discretionary program”
24 means the most expensive one-third of discretionary
25 program within each budget function account.

1 **SEC. 302. POINT OF ORDER.**

2 (a) IN GENERAL.—It shall not be in order in the
3 House of Representatives or the Senate to consider any
4 bill, joint resolution, amendment, or conference report that
5 includes any provision that appropriates funds above cur-
6 rent levels unless such appropriation has been previously
7 authorized by law.

8 (b) WAIVER OR SUSPENSION.—This section may be
9 waived or suspended in the House of Representatives or
10 the Senate only by the affirmative vote of two-thirds of
11 the Members, duly chosen and sworn.

12 **SEC. 303. DECENNIAL SUNSETTING.**

13 (a) FIRST DECENNIAL CENSUS YEAR.—Effective on
14 the first day of the fiscal year beginning in the first decen-
15 nial census year after the year 2010 and each 10 years
16 thereafter, the spending authority described in section
17 301(a) is terminated unless such spending authority is re-
18 authorized after the last date the spending authority was
19 required to be reauthorized under this title.

20 (b) FIRST DECENNIAL CENSUS YEAR.—Effective on
21 the first day of the fiscal year beginning in the year after
22 the first decennial census year after the year 2010 and
23 each 10 years thereafter, the spending authority described
24 in section 301(b) is terminated unless such spending au-
25 thority is reauthorized after the last date the spending au-
26 thority was required to be reauthorized under this title.

1 **Subtitle B—Legislative Line-Item**
2 **Veto**

3 **SEC. 311. LEGISLATIVE LINE-ITEM VETO.**

4 (a) IN GENERAL.—Title X of the Congressional
5 Budget and Impoundment Control Act of 1974 (2 U.S.C.
6 621 et seq.) is amended by striking all of part B (except
7 for sections 1016 and 1013, which are redesignated as sec-
8 tions 1019 and 1020, respectively) and part C and insert-
9 ing the following:

10 “PART B—LEGISLATIVE LINE-ITEM VETO

11 “LINE-ITEM VETO AUTHORITY

12 “SEC. 1011. (a) PROPOSED CANCELLATIONS.—With-
13 in 45 calendar days after the enactment of any bill or joint
14 resolution providing any discretionary budget authority,
15 item of direct spending, limited tariff benefit, or targeted
16 tax benefit, the President may propose, in the manner pro-
17 vided in subsection (b), the cancellation of any dollar
18 amount of such discretionary budget authority, item of di-
19 rect spending, or targeted tax benefit. If the 45 calendar-
20 day period expires during a period where either House of
21 Congress stands adjourned sine die at the end of a Con-
22 gress or for a period greater than 45 calendar days, the
23 President may propose a cancellation under this section
24 and transmit a special message under subsection (b) on

1 the first calendar day of session following such a period
2 of adjournment.

3 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

4 “(1) SPECIAL MESSAGE.—

5 “(A) IN GENERAL.—The President may
6 transmit to the Congress a special message pro-
7 posing to cancel any dollar amounts of discre-
8 tionary budget authority, items of direct spend-
9 ing, limited tariff benefits, or targeted tax bene-
10 fits.

11 “(B) CONTENTS OF SPECIAL MESSAGE.—

12 Each special message shall specify, with respect
13 to the discretionary budget authority, items of
14 direct spending proposed, limited tariff benefits,
15 or targeted tax benefits to be canceled—

16 “(i) the dollar amount of discretionary
17 budget authority, the specific item of direct
18 spending (that OMB, after consultation
19 with CBO, estimates to increase budget
20 authority or outlays as required by section
21 1017(9)), the limited tariff benefit, or the
22 targeted tax benefit that the President pro-
23 poses be canceled;

24 “(ii) any account, department, or es-
25 tablishment of the Government to which

1 such discretionary budget authority is
2 available for obligation, and the specific
3 project or governmental functions involved;

4 “(iii) the reasons why such discre-
5 tionary budget authority, item of direct
6 spending, limited tariff benefit, or targeted
7 tax benefit should be canceled;

8 “(iv) to the maximum extent prac-
9 ticable, the estimated fiscal, economic, and
10 budgetary effect (including the effect on
11 outlays and receipts in each fiscal year) of
12 the proposed cancellation;

13 “(v) to the maximum extent prac-
14 ticable, all facts, circumstances, and con-
15 siderations relating to or bearing upon the
16 proposed cancellation and the decision to
17 propose the cancellation, and the estimated
18 effect of the proposed cancellation upon
19 the objects, purposes, or programs for
20 which the discretionary budget authority,
21 item of direct spending, limited tariff ben-
22 efit, or the targeted tax benefit is provided;

23 “(vi) a numbered list of cancellations
24 to be included in an approval bill that, if
25 enacted, would cancel discretionary budget

1 authority, items of direct spending, limited
2 tariff benefit, or targeted tax benefits pro-
3 posed in that special message; and

4 “(vii) if the special message is trans-
5 mitted subsequent to or at the same time
6 as another special message, a detailed ex-
7 planation why the proposed cancellations
8 are not substantially similar to any other
9 proposed cancellation in such other mes-
10 sage.

11 “(C) DUPLICATIVE PROPOSALS PROHIB-
12 ITED.—The President may not propose to can-
13 cel the same or substantially similar discre-
14 tionary budget authority, item of direct spend-
15 ing, limited tariff benefit, or targeted tax ben-
16 efit more than one time under this Act.

17 “(D) MAXIMUM NUMBER OF SPECIAL MES-
18 SAGES.—The President may not transmit to the
19 Congress more than 5 special messages under
20 this subsection related to any bill or joint reso-
21 lution described in subsection (a), but may
22 transmit not more than 10 special messages for
23 any omnibus budget reconciliation or appropria-
24 tion measure.

25 “(2) ENACTMENT OF APPROVAL BILL.—

1 “(A) DEFICIT REDUCTION.—Amounts of
2 budget authority, items of direct spending, lim-
3 ited tariff benefit, or targeted tax benefits
4 which are canceled pursuant to enactment of a
5 bill as provided under this section shall be dedi-
6 cated only to reducing the deficit or increasing
7 the surplus.

8 “(B) ADJUSTMENT OF LEVELS IN THE
9 CONCURRENT RESOLUTION ON THE BUDGET.—
10 Not later than 5 days after the date of enact-
11 ment of an approval bill as provided under this
12 section, the chairs of the Committees on the
13 Budget of the Senate and the House of Rep-
14 resentatives shall revise allocations and aggre-
15 gates and other appropriate levels under the ap-
16 propriate concurrent resolution on the budget to
17 reflect the cancellation, and the applicable com-
18 mittees shall report revised suballocations pur-
19 suant to section 302(b), as appropriate.

20 “(C) ADJUSTMENTS TO STATUTORY LIM-
21 ITS.—After enactment of an approval bill as
22 provided under this section, the Office of Man-
23 agement and Budget shall revise applicable lim-
24 its under the Balanced Budget and Emergency
25 Deficit Control Act of 1985, as appropriate.

1 “(D) TRUST FUNDS AND SPECIAL
2 FUNDS.—Notwithstanding subparagraph (A),
3 nothing in this part shall be construed to re-
4 quire or allow the deposit of amounts derived
5 from a trust fund or special fund which are
6 canceled pursuant to enactment of a bill as pro-
7 vided under this section to any other fund.

8 “PROCEDURES FOR EXPEDITED CONSIDERATION

9 “SEC. 1012. (a) EXPEDITED CONSIDERATION.—

10 “(1) IN GENERAL.—The majority leader or mi-
11 nority leader of each House or his designee shall (by
12 request) introduce an approval bill as defined in sec-
13 tion 1017 not later than the third day of session of
14 that House after the date of receipt of a special mes-
15 sage transmitted to the Congress under section
16 1011(b). If the bill is not introduced as provided in
17 the preceding sentence in either House, then, on the
18 fourth day of session of that House after the date
19 of receipt of the special message, any Member of
20 that House may introduce the bill.

21 “(2) CONSIDERATION IN THE HOUSE OF REP-
22 RESENTATIVES.—

23 “(A) REFERRAL AND REPORTING.—Any
24 committee of the House of Representatives to
25 which an approval bill is referred shall report it
26 to the House without amendment not later than

1 the seventh legislative day after the date of its
2 introduction. If a committee fails to report the
3 bill within that period or the House has adopt-
4 ed a concurrent resolution providing for ad-
5 journment sine die at the end of a Congress,
6 such committee shall be automatically dis-
7 charged from further consideration of the bill
8 and it shall be placed on the appropriate cal-
9 endar.

10 “(B) PROCEEDING TO CONSIDERATION.—

11 After an approval bill is reported by or dis-
12 charged from committee or the House has
13 adopted a concurrent resolution providing for
14 adjournment sine die at the end of a Congress,
15 it shall be in order to move to proceed to con-
16 sider the approval bill in the House. Such a mo-
17 tion shall be in order only at a time designated
18 by the Speaker in the legislative schedule within
19 two legislative days after the day on which the
20 proponent announces his intention to offer the
21 motion. Such a motion shall not be in order
22 after the House has disposed of a motion to
23 proceed with respect to that special message.
24 The previous question shall be considered as or-
25 dered on the motion to its adoption without in-

1 tervening motion. A motion to reconsider the
2 vote by which the motion is disposed of shall
3 not be in order.

4 “(C) CONSIDERATION.—The approval bill
5 shall be considered as read. All points of order
6 against an approval bill and against its consid-
7 eration are waived. The previous question shall
8 be considered as ordered on an approval bill to
9 its passage without intervening motion except
10 five hours of debate equally divided and con-
11 trolled by the proponent and an opponent and
12 one motion to limit debate on the bill. A motion
13 to reconsider the vote on passage of the bill
14 shall not be in order.

15 “(D) SENATE BILL.—An approval bill re-
16 ceived from the Senate shall not be referred to
17 committee.

18 “(3) CONSIDERATION IN THE SENATE.—

19 “(A) MOTION TO PROCEED TO CONSIDER-
20 ATION.—A motion to proceed to the consider-
21 ation of a bill under this subsection in the Sen-
22 ate shall not be debatable. It shall not be in
23 order to move to reconsider the vote by which
24 the motion to proceed is agreed to or disagreed
25 to.

1 “(B) LIMITS ON DEBATE.—Debate in the
2 Senate on a bill under this subsection, and all
3 debatable motions and appeals in connection
4 therewith (including debate pursuant to sub-
5 paragraph (D)), shall not exceed 10 hours,
6 equally divided and controlled in the usual
7 form.

8 “(C) APPEALS.—Debate in the Senate on
9 any debatable motion or appeal in connection
10 with a bill under this subsection shall be limited
11 to not more than 1 hour, to be equally divided
12 and controlled in the usual form.

13 “(D) MOTION TO LIMIT DEBATE.—A mo-
14 tion in the Senate to further limit debate on a
15 bill under this subsection is not debatable.

16 “(E) MOTION TO RECOMMIT.—A motion to
17 recommit a bill under this subsection is not in
18 order.

19 “(F) CONSIDERATION OF THE HOUSE
20 BILL.—

21 “(i) IN GENERAL.—If the Senate has
22 received the House companion bill to the
23 bill introduced in the Senate prior to the
24 vote required under paragraph (1)(C), then
25 the Senate may consider, and the vote

1 under paragraph (1)(C) may occur on, the
2 House companion bill.

3 “(ii) PROCEDURE AFTER VOTE ON
4 SENATE BILL.—If the Senate votes, pursu-
5 ant to paragraph (1)(C), on the bill intro-
6 duced in the Senate, then immediately fol-
7 lowing that vote, or upon receipt of the
8 House companion bill, the House bill shall
9 be deemed to be considered, read the third
10 time, and the vote on passage of the Sen-
11 ate bill shall be considered to be the vote
12 on the bill received from the House.

13 “(b) AMENDMENTS PROHIBITED.—No amendment
14 to, or motion to strike a provision from, a bill considered
15 under this section shall be in order in either the Senate
16 or the House of Representatives.

17 “PRESIDENTIAL DEFERRAL AUTHORITY

18 “SEC. 1013. (a) TEMPORARY PRESIDENTIAL AU-
19 THORITY TO WITHHOLD DISCRETIONARY BUDGET AU-
20 THORITY.—

21 “(1) IN GENERAL.—At the same time as the
22 President transmits to the Congress a special mes-
23 sage pursuant to section 1011(b), the President may
24 direct that any dollar amount of discretionary budg-
25 et authority to be canceled in that special message
26 shall not be made available for obligation for a pe-

1 riod not to exceed 45 calendar days from the date
2 the President transmits the special message to the
3 Congress.

4 “(2) EARLY AVAILABILITY.—The President
5 shall make any dollar amount of discretionary budg-
6 et authority deferred pursuant to paragraph (1)
7 available at a time earlier than the time specified by
8 the President if the President determines that con-
9 tinuation of the deferral would not further the pur-
10 poses of this Act.

11 “(b) TEMPORARY PRESIDENTIAL AUTHORITY TO
12 SUSPEND DIRECT SPENDING.—

13 “(1) IN GENERAL.—At the same time as the
14 President transmits to the Congress a special mes-
15 sage pursuant to section 1011(b), the President may
16 suspend the implementation of any item of direct
17 spending proposed to be canceled in that special
18 message for a period not to exceed 45 calendar days
19 from the date the President transmits the special
20 message to the Congress.

21 “(2) EARLY AVAILABILITY.—The President
22 shall terminate the suspension of any item of direct
23 spending at a time earlier than the time specified by
24 the President if the President determines that con-

1 continuation of the suspension would not further the
2 purposes of this Act.

3 “(c) TEMPORARY PRESIDENTIAL AUTHORITY TO
4 SUSPEND A LIMITED TARIFF BENEFIT.—

5 “(1) IN GENERAL.—At the same time as the
6 President transmits to the Congress a special mes-
7 sage pursuant to section 1011(b), the President may
8 suspend the implementation of any limited tariff
9 benefit proposed to be canceled in that special mes-
10 sage for a period not to exceed 45 calendar days
11 from the date the President transmits the special
12 message to the Congress.

13 “(2) EARLY AVAILABILITY.—The President
14 shall terminate the suspension of any limited tariff
15 benefit at a time earlier than the time specified by
16 the President if the President determines that con-
17 tinuation of the suspension would not further the
18 purposes of this Act.

19 “(d) TEMPORARY PRESIDENTIAL AUTHORITY TO
20 SUSPEND A TARGETED TAX BENEFIT.—

21 “(1) IN GENERAL.—At the same time as the
22 President transmits to the Congress a special mes-
23 sage pursuant to section 1011(b), the President may
24 suspend the implementation of any targeted tax ben-
25 efit proposed to be repealed in that special message

1 for a period not to exceed 45 calendar days from the
2 date the President transmits the special message to
3 the Congress.

4 “(2) EARLY AVAILABILITY.—The President
5 shall terminate the suspension of any targeted tax
6 benefit at a time earlier than the time specified by
7 the President if the President determines that con-
8 tinuation of the suspension would not further the
9 purposes of this Act.

10 “(e) EXTENSION OF 45-DAY PERIOD.—The Presi-
11 dent may transmit to the Congress not more than one sup-
12 plemental special message to extend the period to suspend
13 the implementation of any discretionary budget authority,
14 item of direct spending, limited tariff benefit, or targeted
15 tax benefit, as applicable, by an additional 45 calendar
16 days. Any such supplemental message may not be trans-
17 mitted to the Congress before the 40th day of the 45-day
18 period set forth in the preceding message or later than
19 the last day of such period.

20 “IDENTIFICATION OF TARGETED TAX BENEFITS

21 “SEC. 1014. (a) STATEMENT.—The chairman of the
22 Committee on Ways and Means of the House of Rep-
23 resentatives and the chairman of the Committee on Fi-
24 nance of the Senate acting jointly (hereafter in this sub-
25 section referred to as the ‘chairmen’) shall review any rev-
26 enue or reconciliation bill or joint resolution which in-

1 cludes any amendment to the Internal Revenue Code of
2 1986 that is being prepared for filing by a committee of
3 conference of the two Houses, and shall identify whether
4 such bill or joint resolution contains any targeted tax ben-
5 efits. The chairmen shall provide to the committee of con-
6 ference a statement identifying any such targeted tax ben-
7 efits or declaring that the bill or joint resolution does not
8 contain any targeted tax benefits. Any such statement
9 shall be made available to any Member of Congress by
10 the chairmen immediately upon request.

11 “(b) STATEMENT INCLUDED IN LEGISLATION.—

12 “(1) IN GENERAL.—Notwithstanding any other
13 rule of the House of Representatives or any rule or
14 precedent of the Senate, any revenue or reconcili-
15 ation bill or joint resolution which includes any
16 amendment to the Internal Revenue Code of 1986
17 reported by a committee of conference of the two
18 Houses may include, as a separate section of such
19 bill or joint resolution, the information contained in
20 the statement of the chairmen, but only in the man-
21 ner set forth in paragraph (2).

22 “(2) APPLICABILITY.—The separate section
23 permitted under subparagraph (A) shall read as fol-
24 lows: ‘Section 1021 of the Congressional Budget and
25 Impoundment Control Act of 1974 shall

1 _____ apply to _____.’, with
2 the blank spaces being filled in with—

3 “(A) in any case in which the chairmen
4 identify targeted tax benefits in the statement
5 required under subsection (a), the word ‘only’
6 in the first blank space and a list of all of the
7 specific provisions of the bill or joint resolution
8 in the second blank space; or

9 “(B) in any case in which the chairmen de-
10 clare that there are no targeted tax benefits in
11 the statement required under subsection (a),
12 the word ‘not’ in the first blank space and the
13 phrase ‘any provision of this Act’ in the second
14 blank space.

15 “(c) IDENTIFICATION IN REVENUE ESTIMATE.—
16 With respect to any revenue or reconciliation bill or joint
17 resolution with respect to which the chairmen provide a
18 statement under subsection (a), the Joint Committee on
19 Taxation shall—

20 “(1) in the case of a statement described in
21 subsection (b)(2)(A), list the targeted tax benefits in
22 any revenue estimate prepared by the Joint Com-
23 mittee on Taxation for any conference report which
24 accompanies such bill or joint resolution, or

1 “(2) in the case of a statement described in 13
2 subsection (b)(2)(B), indicate in such revenue esti-
3 mate that no provision in such bill or joint resolution
4 has been identified as a targeted tax benefit.

5 “(d) PRESIDENT’S AUTHORITY.—If any revenue or
6 reconciliation bill or joint resolution is signed into law—

7 “(1) with a separate section described in sub-
8 section (b)(2), then the President may use the au-
9 thority granted in this section only with respect to
10 any targeted tax benefit in that law, if any, identi-
11 fied in such separate section; or

12 “(2) without a separate section described in
13 subsection (b)(2), then the President may use the
14 authority granted in this section with respect to any
15 targeted tax benefit in that law.

16 “TREATMENT OF CANCELLATIONS

17 “SEC. 1015. The cancellation of any dollar amount
18 of discretionary budget authority, item of direct spending,
19 limited tariff benefit, or targeted tax benefit shall take ef-
20 fect only upon enactment of the applicable approval bill.
21 If an approval bill is not enacted into law before the end
22 of the applicable period under section 1013, then all pro-
23 posed cancellations contained in that bill shall be null and
24 void and any such dollar amount of discretionary budget
25 authority, item of direct spending, limited tariff benefit,
26 or targeted tax benefit shall be effective as of the original

1 date provided in the law to which the proposed cancella-
2 tions applied.

3 “REPORTS BY COMPTROLLER GENERAL

4 “SEC. 1016. With respect to each special message
5 under this part, the Comptroller General shall issue to the
6 Congress a report determining whether any discretionary
7 budget authority is not made available for obligation or
8 item of direct spending, limited tariff benefit, or targeted
9 tax benefit continues to be suspended after the deferral
10 authority set forth in section 1013 of the President has
11 expired.

12 “DEFINITIONS

13 “SEC. 1017. As used in this part:

14 “(1) APPROPRIATION LAW.—The term ‘appro-
15 priation law’ means an Act referred to in section
16 105 of title 1, United States Code, including any
17 general or special appropriation Act, or any Act
18 making supplemental, deficiency, or continuing ap-
19 propriations, that has been signed into law pursuant
20 to Article I, section 7, of the Constitution of the
21 United States.

22 “(2) APPROVAL BILL.—The term ‘approval bill’
23 means a bill or joint resolution which only approves
24 proposed cancellations of dollar amounts of discre-
25 tionary budget authority, items of new direct spend-
26 ing, limited tariff benefits, or targeted tax benefits

1 in a special message transmitted by the President
2 under this part and—

3 “(A) the title of which is as follows: ‘A bill
4 approving the proposed cancellations trans-
5 mitted by the President on _____’, the blank
6 space being filled in with the date of trans-
7 mission of the relevant special message and the
8 public law number to which the message re-
9 lates;

10 “(B) which does not have a preamble; and

11 “(C) which provides only the following
12 after the enacting clause: ‘That the Congress
13 approves of proposed cancellations _____’, the
14 blank space being filled in with a list of the
15 cancellations contained in the President’s spe-
16 cial message, ‘as transmitted by the President
17 in a special message on _____’, the blank
18 space being filled in with the appropriate date,
19 ‘regarding _____.’, the blank space being
20 filled in with the public law number to which
21 the special message relates;

22 “(D) which only includes proposed can-
23 cellations that are estimated by CBO to meet
24 the definition of discretionary budgetary au-
25 thority or items of direct spending, or limited

1 tariff benefits, or that are identified as targeted
 2 tax benefits pursuant to section 1014;

3 “(E) if any proposed cancellation other
 4 than discretionary budget authority or targeted
 5 tax benefits is estimated by CBO to not meet
 6 the definition of item of direct spending, then
 7 the approval bill shall include at the end: ‘The
 8 President shall cease the suspension of the im-
 9 plementation of the following under section
 10 1013 of the Impoundment Control Act of 1974:
 11 _____’, the blank space being filled in
 12 with the list of such proposed cancellations; and

13 “(F) if no CBO estimate is available, then
 14 the entire list of legislative provisions proposed
 15 by the President is inserted in the second blank
 16 space in subparagraph (C).

17 “(3) CALENDAR DAY.—The term ‘calendar day’
 18 means a standard 24-hour period beginning at mid-
 19 night.

20 “(4) CANCEL OR CANCELLATION.—The terms
 21 ‘cancel’ or ‘cancellation’ means to prevent—

22 “(A) budget authority from having legal
 23 force or effect;

1 “(B) in the case of entitlement authority,
2 to prevent the specific legal obligation of the
3 United States from having legal force or effect;

4 “(C) in the case of the food stamp pro-
5 gram, to prevent the specific provision of law
6 that provides such benefit from having legal
7 force or effect; or

8 “(D) a limited tariff benefit from having
9 legal force or effect, and to make any necessary,
10 conforming statutory change to ensure that
11 such limited tariff benefit is not implemented;
12 or

13 “(E) a targeted tax benefit from having
14 legal force or effect, and to make any necessary,
15 conforming statutory change to ensure that
16 such targeted tax benefit is not implemented
17 and that any budgetary resources are appro-
18 priately canceled.

19 “(5) CBO.—The term ‘CBO’ means the Direc-
20 tor of the Congressional Budget Office.

21 “(6) DIRECT SPENDING.—The term ‘direct
22 spending’ means—

23 “(A) budget authority provided by law
24 (other than an appropriation law);

25 “(B) entitlement authority; and

1 “(C) the food stamp program.

2 “(7) DOLLAR AMOUNT OF DISCRETIONARY
3 BUDGET AUTHORITY.—(A) Except as provided in
4 subparagraph (B), the term ‘dollar amount of dis-
5 cretionary budget authority’ means the entire dollar
6 amount of budget authority—

7 “(i) specified in an appropriation law,
8 or the entire dollar amount of budget au-
9 thority or obligation limitation required to
10 be allocated by a specific proviso in an ap-
11 propriation law for which a specific dollar
12 figure was not included;

13 “(ii) represented separately in any
14 table, chart, or explanatory text included
15 in the statement of managers or the gov-
16 erning committee report accompanying
17 such law;

18 “(iii) required to be allocated for a
19 specific program, project, or activity in a
20 law (other than an appropriation law) that
21 mandates the expenditure of budget au-
22 thority from accounts, programs, projects,
23 or activities for which budget authority is
24 provided in an appropriation law;

1 “(iv) represented by the product of
2 the estimated procurement cost and the
3 total quantity of items specified in an ap-
4 propriation law or included in the state-
5 ment of managers or the governing com-
6 mittee report accompanying such law; or

7 “(v) represented by the product of the
8 estimated procurement cost and the total
9 quantity of items required to be provided
10 in a law (other than an appropriation law)
11 that mandates the expenditure of budget
12 authority from accounts, programs,
13 projects, or activities for which budget au-
14 thority is provided in an appropriation law.

15 “(B) The term ‘dollar amount of discre-
16 tionary budget authority’ does not include—

17 “(i) direct spending;

18 “(ii) budget authority in an appro-
19 priation law which funds direct spending
20 provided for in other law;

21 “(iii) any existing budget authority
22 canceled in an appropriation law; or

23 “(iv) any restriction, condition, or lim-
24 itation in an appropriation law or the ac-
25 companying statement of managers or

1 committee reports on the expenditure of
2 budget authority for an account, program,
3 project, or activity, or on activities involv-
4 ing such expenditure.

5 “(8) ITEM OF DIRECT SPENDING.—The term
6 ‘item of direct spending’ means any provision of law
7 that results in an increase in budget authority or
8 outlays for direct spending relative to the most re-
9 cent levels calculated consistent with the method-
10 ology used to calculate a baseline under section 257
11 of the Balanced Budget and Emergency Deficit Con-
12 trol Act of 1985 and included with a budget submis-
13 sion under section 1105(a) of title 31, United States
14 Code, in the first year or the 5-year period for which
15 the item is effective. However, such item does not in-
16 clude an extension or reauthorization of existing di-
17 rect spending, but instead only refers to provisions
18 of law that increase such direct spending.

19 “(9) LIMITED TARIFF BENEFIT.—The term
20 ‘limited tariff benefit’ means any provision of law
21 that modifies the Harmonized Tariff Schedule of the
22 United States in a manner that benefits 10 or fewer
23 entities (as defined in paragraph (12)(B)).

24 “(10) OMB.—The term ‘OMB’ means the Di-
25 rector of the Office of Management and Budget.

1 “(11) OMNIBUS RECONCILIATION OR APPRO-
2 PRIATION MEASURE.—The term ‘omnibus reconcili-
3 ation or appropriation measure’ means—

4 “(A) in the case of a reconciliation bill, any
5 such bill that is reported to its House by the
6 Committee on the Budget; or

7 “(B) in the case of an appropriation meas-
8 ure, any such measure that provides appropria-
9 tions for programs, projects, or activities falling
10 within 2 or more section 302(b) suballocations.

11 “(12) TARGETED TAX BENEFIT.—(A) The term
12 ‘targeted tax benefit’ means any revenue-losing pro-
13 vision that provides a Federal tax deduction, credit,
14 exclusion, or preference to ten or fewer beneficiaries
15 (determined with respect to either present law or
16 any provision of which the provision is a part) under
17 the Internal Revenue Code of 1986 in any year for
18 which the provision is in effect;

19 “(B) for purposes of subparagraph (A)—

20 “(i) all businesses and associations
21 that are members of the same controlled
22 group of corporations (as defined in sec-
23 tion 1563(a) of the Internal Revenue Code
24 of 1986) shall be treated as a single bene-
25 ficiary;

1 “(ii) all shareholders, partners, mem-
2 bers, or beneficiaries of a corporation,
3 partnership, association, or trust or estate,
4 respectively, shall be treated as a single
5 beneficiary;

6 “(iii) all employees of an employer
7 shall be treated as a single beneficiary;

8 “(iv) all qualified plans of an em-
9 ployer shall be treated as a single bene-
10 ficiary;

11 “(v) all beneficiaries of a qualified
12 plan shall be treated as a single bene-
13 ficiary;

14 “(vi) all contributors to a charitable
15 organization shall be treated as a single
16 beneficiary;

17 “(vii) all holders of the same bond
18 issue shall be treated as a single bene-
19 ficiary; and

20 “(viii) if a corporation, partnership,
21 association, trust or estate is the bene-
22 ficiary of a provision, the shareholders of
23 the corporation, the partners of the part-
24 nership, the members of the association, or
25 the beneficiaries of the trust or estate shall

1 not also be treated as beneficiaries of such
2 provision;

3 “(C) for the purpose of this paragraph, the
4 term ‘revenue-losing provision’ means any pro-
5 vision that is estimated to result in a reduction
6 in Federal tax revenues (determined with re-
7 spect to either present law or any provision of
8 which the provision is a part) for any one of the
9 two following periods—

10 “(i) the first fiscal year for which the
11 provision is effective; or

12 “(ii) the period of the 5 fiscal years
13 beginning with the first fiscal year for
14 which the provision is effective;

15 “(D) the term ‘targeted tax benefit’ does
16 not include any provision which applies uni-
17 formly to an entire industry; and

18 “(E) the terms used in this paragraph
19 shall have the same meaning as those terms
20 have generally in the Internal Revenue Code of
21 1986, unless otherwise expressly provided.

22 “EXPIRATION

23 “SEC. 1018. This title shall have no force or effect
24 on or after October 1, 2012”.

1 **SEC. 312. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) EXERCISE OF RULEMAKING POWERS.—Section
3 904 of the Congressional Budget Act of 1974 (2 U.S.C.
4 621 note) is amended—

5 (1) in subsection (a), by striking “1017” and
6 inserting “1012”; and

7 (2) in subsection (d), by striking “section
8 1017” and inserting “section 1012”.

9 (b) ANALYSIS BY CONGRESSIONAL BUDGET OF-
10 FICE.—Section 402 of the Congressional Budget Act of
11 1974 is amended by inserting “(a)” after “402.” and by
12 adding at the end the following new subsection:

13 “(b) Upon the receipt of a special message under sec-
14 tion 1011 proposing to cancel any item of direct spending,
15 the Director of the Congressional Budget Office shall pre-
16 pare an estimate of the savings in budget authority or out-
17 lays resulting from such proposed cancellation relative to
18 the most recent levels calculated consistent with the meth-
19 odology used to calculate a baseline under section 257 of
20 the Balanced Budget and Emergency Deficit Control Act
21 of 1985 and included with a budget submission under sec-
22 tion 1105(a) of title 31, United States Code, and transmit
23 such estimate to the chairmen of the Committees on the
24 Budget of the House of Representatives and Senate.”.

1 (c) CLERICAL AMENDMENTS.—(1) Section 1(a) of
 2 the Congressional Budget and Impoundment Control Act
 3 of 1974 is amended by striking the last sentence.

4 (2) Section 1022(c) of such Act (as redesignated) is
 5 amended is amended by striking “rescinded or that is to
 6 be reserved” and insert “canceled” and by striking
 7 “1012” and inserting “1011”.

8 (3) TABLE OF CONTENTS.—The table of contents set
 9 forth in section 1(b) of the Congressional Budget and Im-
 10 poundment Control Act of 1974 is amended by deleting
 11 the contents for parts B and C of title X and inserting
 12 the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

- “Sec. 1011. Line-item veto authority.
- “Sec. 1012. Procedures for expedited consideration.
- “Sec. 1013. Presidential deferral authority.
- “Sec. 1014. Identification of targeted tax benefits.
- “Sec. 1015. Treatment of cancellations.
- “Sec. 1016. Reports by comptroller general.
- “Sec. 1017. Definitions.
- “Sec. 1018. Expiration.
- “Sec. 1019. Suits by Comptroller General.
- “Sec. 1020. Proposed deferrals of budget authority.”.

13 (d) EFFECTIVE DATE.—The amendments made by
 14 this Act shall take effect on the date of its enactment and
 15 apply only to any dollar amount of discretionary budget
 16 authority, item of direct spending, or targeted tax benefit
 17 provided in an Act enacted on or after the date of enact-
 18 ment of this Act.

1 **SEC. 313. SENSE OF CONGRESS ON ABUSE OF PROPOSED**
2 **CANCELLATIONS.**

3 It is the sense of Congress no President or any execu-
4 tive branch official should condition the inclusion or exclu-
5 sion or threaten to condition the inclusion or exclusion of
6 any proposed cancellation in any special message under
7 this section upon any vote cast or to be cast by any Mem-
8 ber of either House of Congress.

9 **SEC. 314. AMENDING HOUSE RULES TO REQUIRE THAT RE-**
10 **SCISSION BILLS ALWAYS BE CONSIDERED**
11 **UNDER OPEN RULES.**

12 (a) RULES AMENDMENT.—Clause 6(c) of rule XIII
13 of the Rules of the House of Representatives is amended
14 by striking the period and inserting “; or” at the end of
15 subparagraph (2) and by adding at the end the following
16 new subparagraph:

17 “(3) a rule or order that would limit any amendment
18 that would otherwise be in order to a rescission bill.”.

19 (b) AUTOMATIC ALLOCATIONS REDUCTIONS.—
20 Clause 4(b) of rule X of the Rules of the House of Rep-
21 resentatives is amended by inserting “(1)” after “(b)”, by
22 redesignating subparagraphs (1) through (6) as subdivi-
23 sions (A) through (F), respectively, and by adding at the
24 end the following:

25 “(2)(A) Whenever a rescission bill passes the House,
26 the Committee on the Budget shall immediately reduce the

1 applicable allocations under section 302(a) of the Congres-
2 sional Budget Act of 1974 by the total amount of reduc-
3 tions in budget authority and in outlays resulting from
4 such rescission bill.

5 “(B) As used in this subparagraph, the term ‘rescis-
6 sion bill’ means a bill or joint resolution which only re-
7 scinds, in whole or in part, budget authority and which
8 includes only titles corresponding to the most recently en-
9 acted appropriation bills that continue to include unobli-
10 gated balances.”.

11 (c) PRIVILEGED DISCHARGE RESOLUTIONS.—Rule
12 XIII of the Rules of the House of Representatives is
13 amended by adding at the end the following new clause:

14 “8. (a) By February 1, May 1, July 30, and Novem-
15 ber 11 of each session, the majority leader shall introduce
16 a rescission bill. If such bill is not introduced by that date,
17 then whenever a rescission bill is introduced during a ses-
18 sion on or after that date, a motion to discharge the com-
19 mittee from its consideration shall be privileged after the
20 10-legislative day period beginning on that date for the
21 first 5 such bills.

22 “(b) It shall not be in order to offer any amendment
23 to a rescission bill except an amendment that increases
24 the amount of budget authority that such bill rescinds.

1 “(c) As used in this clause and in clause 6, the term
2 ‘rescission bill’ has the meaning given such term in clause
3 4(b)(2)(B) of rule X.”.

4 (d) POINT OF ORDER.—Rule XXI of the Rules of the
5 House of Representatives (as amended by subsection (d))
6 is further amended by adding at the end the following new
7 clause:

8 “9. (a) It shall not be in order to consider any rescis-
9 sion bill, or conference report thereon or amendment
10 thereto, unless—

11 “(1) in the case of such bill or conference re-
12 port thereon, it is made available to Members and
13 the general public on the Internet for at least 48
14 hours before its consideration; or

15 “(2)(A) in the case of an amendment to such
16 rescission bill made in order by a rule, it is made
17 available to Members and the general public on the
18 Internet within one hour after the rule is filed; or

19 “(B) in the case of an amendment under an
20 open rule, it is made available to Members and the
21 general public on the Internet immediately after
22 being offered; in a format that is searchable and
23 sortable.

1 “(b) No amendment to an amendment to a rescission
2 bill shall be in order unless germane to the amendment
3 to which it is offered.”.

4 **Subtitle C—Commission to**
5 **Eliminate Waste, Fraud, and Abuse**

6 **SEC. 331. ESTABLISHMENT OF COMMISSION.**

7 (a) ESTABLISHMENT.—There is established the Com-
8 mission to Eliminate Waste, Fraud, and Abuse (hereafter
9 in this subtitle referred to as the “Commission”).

10 (b) MEMBERSHIP.—

11 (1) IN GENERAL.—The Commission shall con-
12 sist of 12 members, all of whom shall be appointed
13 by the President not later than 90 days after the
14 date of enactment of this Act.

15 (2) CHAIRPERSON AND VICE CHAIRPERSON.—

16 The President shall designate a chairperson and vice
17 chairperson from among the members of the Com-
18 mission.

19 (c) PERIOD OF APPOINTMENT; VACANCIES.—Mem-
20 bers shall be appointed for the life of the Commission. Any
21 vacancy in the Commission shall not affect its powers, but
22 shall be filled in the same manner as the original appoint-
23 ment.

24 (d) MEETINGS.—

1 (1) INITIAL MEETING.—Not later than 30 days
2 after the date on which all members of the Commis-
3 sion have been appointed, the Commission shall hold
4 its first meeting.

5 (2) SUBSEQUENT MEETINGS.—The Commission
6 shall meet at the call of the chairperson.

7 (e) QUORUM.—A majority of the members of the
8 Commission shall constitute a quorum, but a lesser num-
9 ber of members may hold hearings.

10 **SEC. 332. DUTIES OF THE COMMISSION.**

11 (a) DEFINITIONS.—In this section, the following defi-
12 nitions shall apply:

13 (1) AGENCY.—The term “agency” has the
14 meaning given the term “Executive agency” under
15 section 105 of title 5, United States Code.

16 (2) PROGRAM.—The term “program” means
17 any activity or function of an agency.

18 (b) IN GENERAL.—The Commission shall—

19 (1) evaluate all agencies and programs within
20 those agencies, using the criteria under subsection
21 (c); and

22 (2) submit to Congress—

23 (A) a plan with recommendations of the
24 agencies and programs that should be realigned
25 or eliminated; and

1 (B) proposed legislation to implement the
2 plan described under subparagraph (A).

3 (c) CRITERIA.—

4 (1) DUPLICATIVE.—If two or more agencies or
5 programs are performing the same essential function
6 and the function can be consolidated or streamlined
7 into a single agency or program, the Commission
8 shall recommend that the agency or program be re-
9 aligned.

10 (2) WASTEFUL OR INEFFICIENT.—The Com-
11 mission shall recommend the realignment or elimi-
12 nation of any agency or program that has wasted
13 Federal funds by—

14 (A) egregious spending;

15 (B) mismanagement of resources and per-
16 sonnel; or

17 (C) use of such funds for personal benefit
18 or the benefit of a special interest group.

19 (3) OUTDATED, IRRELEVANT, OR FAILED.—The
20 Commission shall recommend the elimination of any
21 agency or program that—

22 (A) has completed its intended purpose;

23 (B) has become irrelevant; or

24 (C) has failed to meet its objectives.

25 (d) SYSTEMATIC ASSESSMENT OF PROGRAMS.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the date of enactment of this Act, the President
3 shall—

4 (A) establish a systematic method for as-
5 sessing the effectiveness and accountability of
6 agency programs; and

7 (B) submit, to the Commission, assess-
8 ments of not less than $\frac{1}{2}$ of all programs cov-
9 ered under subsection (b)(1) that use the meth-
10 od established under subparagraph (A).

11 (2) METHOD OBJECTIVES.—The method estab-
12 lished under paragraph (1) shall—

13 (A) recognize different types of Federal
14 programs;

15 (B) assess programs based primarily on
16 the achievement of performance goals (as de-
17 fined under section 1115(f)(4) of title 31,
18 United States Code); and

19 (C) assess programs based in part on the
20 adequacy of the program's performance meas-
21 ures, financial management, and other factors
22 determined by the President.

23 (3) DEVELOPMENT.—The method established
24 under paragraph (1) shall not be implemented until

1 it has been reviewed and accepted by the Commis-
2 sion.

3 (4) CONSIDERATION OF ASSESSMENTS.—The
4 Commission shall consider assessments submitted
5 under this subsection when evaluating programs
6 under subsection (b)(1).

7 (e) COMMON PERFORMANCE MEASURES.—Not later
8 than 1 year after the date of enactment of this Act, the
9 President shall identify common performance measures
10 for programs covered in subsection (b)(1) that have simi-
11 lar functions and, to the extent feasible, provide the Com-
12 mission with data on such performance measures.

13 (f) REPORT.—

14 (1) IN GENERAL.—Not later than 2 years after
15 the date of enactment of this Act, the Commission
16 shall submit to the President and Congress a report
17 that includes—

18 (A) the plan described under subsection
19 (b)(2)(A), with supporting documentation for
20 all recommendations; and

21 (B) the proposed legislation described
22 under subsection (b)(2)(B).

23 (2) RELOCATION OF FEDERAL EMPLOYEES.—
24 The proposed legislation under paragraph (1)(B)
25 shall provide that if the position of an employee of

1 an agency is eliminated as a result of the implemen-
2 tation of the plan under paragraph (1)(A), the af-
3 fected agency shall make reasonable efforts to relo-
4 cate such employee to another position within the
5 agency or within another Federal agency.

6 **SEC. 333. POWERS OF THE COMMISSION.**

7 (a) HEARINGS.—The Commission or, at its direction,
8 any subcommittee or member of the Commission, may, for
9 the purpose of carrying out this subtitle—

10 (1) hold such hearings, sit and act at such
11 times and places, take such testimony, receive such
12 evidence, and administer such oaths as any member
13 of the Commission considers advisable;

14 (2) require, by subpoena or otherwise, the at-
15 tendance and testimony of such witnesses as any
16 member of the Commission considers advisable; and

17 (3) require, by subpoena or otherwise, the pro-
18 duction of such books, records, correspondence,
19 memoranda, papers, documents, tapes, and other
20 evidentiary materials relating to any matter under
21 investigation by the Commission.

22 (b) SUBPOENAS.—

23 (1) ISSUANCE.—Subpoenas issued under sub-
24 section (a) shall bear the signature of the chair-
25 person of the Commission and shall be served by any

1 person or class of persons designated by the chair-
2 person for that purpose.

3 (2) ENFORCEMENT.—In the case of contumacy
4 or failure to obey a subpoena issued under sub-
5 section (a), the United States district court for the
6 judicial district in which the subpoenaed person re-
7 sides, is served, or may be found, may issue an order
8 requiring such person to appear at any designated
9 place to testify or to produce documentary or other
10 evidence. Any failure to obey the order of the court
11 may be punished by the court as a contempt of that
12 court.

13 (c) INFORMATION FROM FEDERAL AGENCIES.—The
14 Commission may secure directly from any Federal depart-
15 ment or agency such information as the Commission con-
16 siders necessary to carry out this Act. Upon request of
17 the chairperson of the Commission, the head of such de-
18 partment or agency shall furnish such information to the
19 Commission.

20 (d) POSTAL SERVICES.—The Commission may use
21 the United States mails in the same manner and under
22 the same conditions as other departments and agencies of
23 the Government.

24 (e) GIFTS.—The Commission may accept, use, and
25 dispose of gifts or donations of services or property.

1 **SEC. 334. COMMISSION PERSONNEL MATTERS.**

2 (a) COMPENSATION OF MEMBERS.—

3 (1) NON-FEDERAL MEMBERS.—Except as pro-
4 vided under subsection (b), each member of the
5 Commission who is not an officer or employee of the
6 Government shall not be compensated.

7 (2) FEDERAL OFFICERS OR EMPLOYEES.—All
8 members of the Commission who are officers or em-
9 ployees of the United States shall serve without com-
10 pensation in addition to that received for their serv-
11 ices as officers or employees of the United States.

12 (b) TRAVEL EXPENSES.—The members of the Com-
13 mission shall be allowed travel expenses, including per
14 diem in lieu of subsistence, at rates authorized for employ-
15 ees of agencies under subchapter I of chapter 57 of title
16 5, United States Code, while away from their homes or
17 regular places of business in the performance of services
18 for the Commission.

19 (c) STAFF.—

20 (1) IN GENERAL.—The chairperson of the Com-
21 mission may, without regard to the civil service laws
22 and regulations, appoint and terminate an executive
23 director and such other additional personnel as may
24 be necessary to enable the Commission to perform
25 its duties. The employment of an executive director
26 shall be subject to confirmation by the Commission.

1 (2) COMPENSATION.—Upon the approval of the
2 chairperson, the executive director may fix the com-
3 pensation of the executive director and other per-
4 sonnel without regard to chapter 51 and subchapter
5 III of chapter 53 of title 5, United States Code, re-
6 lating to classification of positions and General
7 Schedule pay rates, except that the rate of pay for
8 the executive director and other personnel may not
9 exceed the maximum rate payable for a position at
10 GS-15 of the General Schedule under section 5332
11 of such title.

12 (3) PERSONNEL AS FEDERAL EMPLOYEES.—

13 (A) IN GENERAL.—The executive director
14 and any personnel of the Commission who are
15 employees shall be employees under section
16 2105 of title 5, United States Code, for pur-
17 poses of chapters 63, 81, 83, 84, 85, 87, 89,
18 and 90 of that title.

19 (B) MEMBERS OF COMMISSION.—Subpara-
20 graph (A) shall not be construed to apply to
21 members of the Commission.

22 (d) DETAIL OF GOVERNMENT EMPLOYEES.—Any
23 Government employee may be detailed to the Commission
24 without reimbursement, and such detail shall be without
25 interruption or loss of civil service status or privilege.

1 (e) PROCUREMENT OF TEMPORARY AND INTERMIT-
2 TENT SERVICES.—The chairperson of the Commission
3 may procure temporary and intermittent services under
4 section 3109(b) of title 5, United States Code, at rates
5 for individuals which do not exceed the daily equivalent
6 of the annual rate of basic pay prescribed for level V of
7 the Executive Schedule under section 5316 of such title.

8 **SEC. 335. TERMINATION OF THE COMMISSION.**

9 The Commission shall terminate 90 days after the
10 date on which the Commission submits the report under
11 section 232(f).

12 **SEC. 336. CONGRESSIONAL CONSIDERATION OF REFORM**
13 **PROPOSALS.**

14 (a) DEFINITIONS.—In this section:

15 (1) IMPLEMENTATION BILL.—The term “imple-
16 mentation bill” means only a bill which is introduced
17 as provided under subsection (b), and contains the
18 proposed legislation included in the report submitted
19 to Congress under section 232, without modification.

20 (2) CALENDAR DAY.—The term “calendar day”
21 means a calendar day other than one on which ei-
22 ther House is not in session because of an adjourn-
23 ment of more than 3 days to a date certain.

24 (b) INTRODUCTION; REFERRAL; AND REPORT OR
25 DISCHARGE.—

1 (1) INTRODUCTION.—On the first calendar day
2 on which both Houses are in session, on or imme-
3 diately following the date on which the report is sub-
4 mitted to Congress under section 232, a single im-
5 plementation bill shall be introduced (by request)—

6 (A) in the Senate by the majority leader of
7 the Senate, for himself and the minority leader
8 of the Senate, or by Members of the Senate
9 designated by the majority leader and minority
10 leader of the Senate; and

11 (B) in the House of Representatives by the
12 Speaker of the House of Representatives, for
13 himself and the minority leader of the House of
14 Representatives, or by Members of the House of
15 Representatives designated by the Speaker and
16 minority leader of the House of Representa-
17 tives.

18 (2) REFERRAL.—The implementation bills in-
19 troduced under paragraph (1) shall be referred to
20 any appropriate committee of jurisdiction in the
21 Senate and any appropriate committee of jurisdic-
22 tion in the House of Representatives. A committee
23 to which an implementation bill is referred under
24 this paragraph may report such bill to the respective
25 House without amendment.

1 (3) REPORT OR DISCHARGE.—If a committee to
2 which an implementation bill is referred has not re-
3 ported such bill by the end of the 15th calendar day
4 after the date of the introduction of such bill, such
5 committee shall be immediately discharged from fur-
6 ther consideration of such bill, and upon being re-
7 ported or discharged from the committee, such bill
8 shall be placed on the appropriate calendar.

9 (c) FLOOR CONSIDERATION.—

10 (1) IN GENERAL.—When the committee to
11 which an implementation bill is referred has re-
12 ported, or has been discharged under subsection
13 (b)(3), it is at any time thereafter in order (even
14 though a previous motion to the same effect has
15 been disagreed to) for any Member of the respective
16 House to move to proceed to the consideration of the
17 implementation bill, and all points of order against
18 the implementation bill (and against consideration of
19 the implementation bill) are waived. The motion is
20 highly privileged in the House of Representatives
21 and is privileged in the Senate and is not debatable.
22 The motion is not subject to amendment, or to a
23 motion to postpone, or to a motion to proceed to the
24 consideration of other business. A motion to recon-
25 sider the vote by which the motion is agreed to or

1 disagreed to shall not be in order. If a motion to
2 proceed to the consideration of the implementation
3 bill is agreed to, the implementation bill shall remain
4 the unfinished business of the respective House until
5 disposed of.

6 (2) AMENDMENTS.—An implementation bill
7 may not be amended in the Senate or the House of
8 Representatives.

9 (3) DEBATE.—Debate on the implementation
10 bill, and on all debatable motions and appeals in
11 connection therewith, shall be limited to not more
12 than 10 hours, which shall be divided equally be-
13 tween those favoring and those opposing the resolu-
14 tion. A motion further to limit debate is in order and
15 not debatable. An amendment to, or a motion to
16 postpone, or a motion to proceed to the consider-
17 ation of other business, or a motion to recommit the
18 implementation bill is not in order. A motion to re-
19 consider the vote by which the implementation bill is
20 agreed to or disagreed to is not in order.

21 (4) VOTE ON FINAL PASSAGE.—Immediately
22 following the conclusion of the debate on an imple-
23 mentation bill, and a single quorum call at the con-
24 clusion of the debate if requested in accordance with

1 the rules of the appropriate House, the vote on final
2 passage of the implementation bill shall occur.

3 (5) RULINGS OF THE CHAIR ON PROCEDURE.—

4 Appeals from the decisions of the Chair relating to
5 the application of the rules of the Senate or the
6 House of Representatives, as the case may be, to the
7 procedure relating to an implementation bill shall be
8 decided without debate.

9 (d) COORDINATION WITH ACTION BY OTHER
10 HOUSE.—If, before the passage by 1 House of an imple-
11 mentation bill of that House, that House receives from
12 the other House an implementation bill, then the following
13 procedures shall apply:

14 (1) NONREFERRAL.—The implementation bill
15 of the other House shall not be referred to a com-
16 mittee.

17 (2) VOTE ON BILL OF OTHER HOUSE.—With
18 respect to an implementation bill of the House re-
19 ceiving the implementation bill—

20 (A) the procedure in that House shall be
21 the same as if no implementation bill had been
22 received from the other House; but

23 (B) the vote on final passage shall be on
24 the implementation bill of the other House.

1 (e) RULES OF SENATE AND HOUSE OF REPRESENTA-
2 TIVES.—This section is enacted by Congress—

3 (1) as an exercise of the rulemaking power of
4 the Senate and House of Representatives, respec-
5 tively, and as such it is deemed a part of the rules
6 of each House, respectively, but applicable only with
7 respect to the procedure to be followed in that
8 House in the case of an implementation bill de-
9 scribed in subsection (a), and it supersedes other
10 rules only to the extent that it is inconsistent with
11 such rules; and

12 (2) with full recognition of the constitutional
13 right of either House to change the rules (so far as
14 relating to the procedure of that House) at any time,
15 in the same manner, and to the same extent as in
16 the case of any other rule of that House.

17 **SEC. 337. AUTHORIZATION OF APPROPRIATIONS.**

18 There are authorized to be appropriated such sums
19 as may be necessary for carrying out this subtitle for each
20 of the fiscal years 2008 through 2010.

1 **TITLE IV—TRUTH IN**
2 **ACCOUNTING**
3 **Subtitle A—Accrual Funding of**
4 **Pensions and Retirement Pay**
5 **for Federal Employees and Uni-**
6 **formed Services Personnel**

7 **SEC. 401. CIVIL SERVICE RETIREMENT SYSTEM.**

8 (a) CIVIL SERVICE RETIREMENT AND DISABILITY
9 FUND.—Chapter 83 of title 5, United States Code, is
10 amended—

11 (1) in section 8331—

12 (A) in paragraph (17)—

13 (i) by striking “normal cost” and in-
14 serting “normal cost percentage”; and

15 (ii) by inserting “and standards
16 (using dynamic assumptions)” after “prac-
17 tice”;

18 (B) by amending paragraph (18) to read
19 as follows:

20 “(18) ‘Fund balance’ means the current net as-
21 sets of the Fund available for payment of benefits,
22 as determined by the Office in accordance with ap-
23 propriate accounting standards, but does not include
24 any amount attributable to—

1 “(A) the Federal Employees’ Retirement
2 System; or

3 “(B) contributions made under the Federal
4 Employees’ Retirement Contribution Temporary
5 Adjustment Act of 1983 by or on behalf of any
6 individual who became subject to the Federal
7 Employees’ Retirement System;”

8 (C) by amending paragraph (19) to read
9 as follows:

10 “(19) ‘accrued liability’ means the estimated ex-
11 cess of the present value of all benefits payable from
12 the Fund to employees and Members, and former
13 employees and Members, subject to this subchapter,
14 and their survivors, over the present value of deduc-
15 tions to be withheld from the future basic pay of em-
16 ployees and Members currently subject to this sub-
17 chapter and of future agency contributions to be
18 made in their behalf;”

19 (D) in paragraph (27) by striking “and”
20 at the end;

21 (E) in paragraph (28) by striking the pe-
22 riod at the end and inserting a semicolon; and

23 (F) by adding at the end the following
24 paragraphs:

1 “(29) ‘dynamic assumptions’ means economic
2 assumptions that are used in determining actuarial
3 costs and liabilities of a retirement system and in
4 anticipating the effects of long-term future—

5 “(A) investment yields;

6 “(B) increases in rates of basic pay; and

7 “(C) rates of price inflation; and

8 “(30) ‘unfunded liability’ means the estimated
9 excess of—

10 “(A) the actuarial present value of all fu-
11 ture benefits payable from the Fund under this
12 subchapter based on the service of current or
13 former employees or Members, over

14 “(B) the sum of—

15 “(i) the actuarial present value of de-
16 ductions to be withheld from the future
17 basic pay of employees and Members cur-
18 rently subject to this chapter pursuant to
19 section 8334;

20 “(ii) the actuarial present value of the
21 future contributions to be made pursuant
22 to section 8334 with respect to employees
23 and Members currently subject to this sub-
24 chapter;

1 “(iii) the Fund balance, as defined in
 2 paragraph (18), as of the date the un-
 3 funded liability is determined; and

4 “(iv) any other appropriate amount,
 5 as determined by the Office of Personnel
 6 Management in accordance with generally
 7 accepted actuarial practices and prin-
 8 ciples.”;

9 (2) in section 8334—

10 (A) in subsection (a)(1)—

11 (i) by striking the last two sentences;

12 (ii) by redesignating that subsection,
 13 as so amended, as (a)(1)(A); and

14 (iii) by adding at the end the fol-
 15 lowing new subparagraphs:

16 “(B) Except as provided in subparagraph (E), each
 17 employing agency having any employees or Members sub-
 18 ject to subparagraph (A) shall contribute from amounts
 19 available for salaries and expenses an amount equal to the
 20 sum of—

21 “(i) the product of—

22 “(I) the normal cost percentage, as deter-
 23 mined for employees (other than employees cov-
 24 ered by clause (ii)), multiplied by

1 “(II) the aggregate amount of basic pay
2 payable by the agency, for the period involved,
3 to employees (under subclause (I)) who are
4 within such agency; and

5 “(ii) the product of—

6 “(I) the normal cost percentage, as deter-
7 mined for Members, Congressional employees,
8 law enforcement officers, firefighters, air traffic
9 controllers, bankruptcy judges, Court of Fed-
10 eral Claims judges, United States magistrates,
11 judges of the United States Court of Appeals
12 for the Armed Forces, members of the Capitol
13 Police, nuclear materials couriers, and members
14 of the Supreme Court Police, multiplied by

15 “(II) the aggregate amount of basic pay
16 payable by the agency for the period involved,
17 to employees and Members (under subclause
18 (I)) who are within such agency.

19 “(C) In determining the normal cost percentage to
20 be applied under subparagraph (B), amounts provided for
21 under subparagraph (A) shall be taken into account.

22 “(D) Contributions under this paragraph shall be
23 paid—

24 “(i) in the case of law enforcement officers,
25 firefighters, air traffic controllers, bankruptcy

1 judges, Court of Federal Claims judges, United
2 States magistrates, judges of the United States
3 Court of Appeals for the Armed Forces, members of
4 the Supreme Court Police, nuclear materials couriers
5 and other employees, from the appropriations or
6 fund used to pay such law enforcement officers, fire-
7 fighters, air traffic controllers, bankruptcy judges,
8 Court of Federal Claims judges, United States mag-
9 istrates, judges of the United States Court of Ap-
10 peals for the Armed Forces, members of the Su-
11 preme Court Police, nuclear materials couriers and
12 other employees, respectively;

13 “(ii) in the case of elected officials, from an ap-
14 propriation or fund available for payment of other
15 salaries of the same office or establishment; and

16 “(iii) in the case of employees of the legislative
17 branch paid by the Clerk of the House of Represent-
18 atives, from the contingent fund of the House.

19 “(E) In the case of the United States Postal Service,
20 the Metropolitan Washington Airports Authority, and the
21 government of the District of Columbia, an amount equal
22 to that withheld under subparagraph (A) shall be contrib-
23 uted from the appropriation or fund used to pay the em-
24 ployee.”; and

25 (B) in subsection (k)—

1 (i) in paragraph (1)—

2 (I) in subparagraph (A) by strik-
 3 ing “the first sentence of subsection
 4 (a)(1) of this section” and inserting
 5 “subsection (a)(1)(A)”; and

6 (II) by amending subparagraph
 7 (B) to read as follows:

8 “(B) the amount of the contribution under sub-
 9 section (a)(1)(B) shall be the amount which would
 10 have been contributed under such subsection if this
 11 subsection had not been enacted.”; and

12 (ii) in paragraph (2)(C)(iii) by strik-
 13 ing “the first sentence of subsection
 14 (a)(1)” and inserting “subsection
 15 (a)(1)(A)”; and

16 (3) in section 8348—

17 (A) by repealing subsection (f);

18 (B) by amending subsection (g) to read as
 19 follows:

20 “(g)(1)(A) Not later than June 30, 2008, the Office
 21 of the Actuary shall determine the unfunded liability of
 22 the Fund, as of September 30, 2007, attributable to bene-
 23 fits payable under this chapter and make recommenda-
 24 tions regarding its liquidation. After considering such rec-
 25 ommendations, the Office shall establish an amortization

1 schedule, including a series of annual installments com-
2 mencing October 1, 2008, which provides for the liquida-
3 tion of such liability by October 1, 2046.

4 “(B) The Office shall redetermine the unfunded li-
5 ability of the Fund as of the close of the fiscal year, for
6 each fiscal year beginning after September 30, 2007,
7 through the fiscal year ending September 30, 2041, and
8 shall establish a new amortization schedule, including a
9 series of annual installments commencing on October 1
10 of the second subsequent fiscal year, which provides for
11 the liquidation of such liability by October 1, 2046.

12 “(C) The Office shall redetermine the unfunded li-
13 ability of the Fund as of the close of the fiscal year for
14 each fiscal year beginning after September 30, 2041, and
15 shall establish a new amortization schedule, including a
16 series of annual installments commencing on October 1
17 of the second subsequent fiscal year, which provides for
18 the liquidation of such liability over five years.

19 “(D) Amortization schedules established under this
20 paragraph shall be set in accordance with generally accept-
21 ed actuarial practices and principles, with interest com-
22 puted at the rate used in the most recent valuation of the
23 Civil Service Retirement System.

24 “(2) At the beginning of each fiscal year, beginning
25 on October 1, 2008, the Office shall notify the Secretary

1 of the Treasury of the amount of the first installment
2 under the most recent amortization schedule established
3 under paragraph (1). The Secretary shall credit that
4 amount to the Fund, as a Government contribution, out
5 of any money in the Treasury of the United States not
6 otherwise appropriated.

7 “(3) For the purpose of carrying out paragraph (1)
8 with respect to any fiscal year, the Office may—

9 “(A) require the Board of Actuaries of the Civil
10 Service Retirement System to make actuarial deter-
11 minations and valuations, make recommendations,
12 and maintain records in accordance with section
13 8347(f); and

14 “(B) use the latest actuarial determinations
15 and valuations made by such Board of Actuaries.”;

16 (C) in subsections (h), (i), and (m) by
17 striking “unfunded” and inserting “accrued”
18 each place it appears; and

19 (D) by adding at the end the following new
20 subsection:

21 “(n) Under regulations prescribed by the Office, the
22 head of an agency may request reconsideration of any
23 amount determined to be payable with respect to such
24 agency under section 8334(a)(1)(B)–(D). Any such re-
25 quest shall be referred to the Board of Actuaries of the

1 Civil Service Retirement System. The Board of Actuaries
 2 shall review the computations of the Office and may make
 3 any adjustment with respect to any such amount which
 4 the Board determines appropriate. A determination by the
 5 Board of Actuaries under this subsection shall be final.”.

6 (b) GOVERNMENT CONTRIBUTIONS.—Section 8423
 7 of title 5, United States Code, is amended—

8 (1) in subsection (a)(2) by striking “section
 9 8422” and inserting “section 8422(a)”; and

10 (2) in subsection (b)(2) by striking “equal an-
 11 nual installments” and inserting “annual install-
 12 ments set in accordance with generally accepted ac-
 13 tual practices and principles”.

14 **SEC. 402. CENTRAL INTELLIGENCE AGENCY RETIREMENT**
 15 **AND DISABILITY SYSTEM.**

16 (a) Section 101 of the Central Intelligence Agency
 17 Retirement Act (50 U.S.C. 2001) is amended—

18 (1) in paragraph (5), to read as follows:

19 “(5) UNFUNDED LIABILITY.—The term ‘un-
 20 funded liability’ means the estimated excess of—

21 “(A) the actuarial present value of all fu-
 22 ture benefits payable from the Fund under title
 23 II of this Act based on the service of current
 24 or former participants, over

25 “(B) the sum of—

1 “(i) the actuarial present value of de-
 2 ductions to be withheld from the future
 3 basic pay of participants currently subject
 4 to title II of this Act pursuant to section
 5 211;

6 “(ii) the actuarial present value of the
 7 future contributions to be made pursuant
 8 to section 211 with respect to participants
 9 currently subject to title II of this Act;

10 “(iii) the Fund balance, as defined in
 11 paragraph (4), as of the date the unfunded
 12 liability is determined; and

13 “(iv) any other appropriate amount,
 14 as determined by the Director in accord-
 15 ance with generally accepted actuarial
 16 practices and principles.”;

17 (2) in paragraph (6)—

18 (A) by striking “‘normal cost’” and in-
 19 serting “‘normal cost percentage’”; and

20 (B) by inserting “and standards (using dy-
 21 namic assumptions)” after “practice”; and

22 (3) by adding at the end the following para-
 23 graph:

24 “(10) DYNAMIC ASSUMPTIONS.—The term ‘dy-
 25 namic assumptions’ means economic assumptions

1 that are used in determining actuarial costs and li-
2 abilities of a retirement system and in anticipating
3 the effects of long-term future—

4 “(A) investment yields;

5 “(B) increases in rates of basic pay; and

6 “(C) rates of price inflation.”.

7 (b) Section 202 of such Act (50 U.S.C. 2012) is
8 amended by adding at the end the following: “The Fund
9 is appropriated for the payment of benefits as provided
10 by this title.”.

11 (c) Section 211(a)(2) of such Act (50 U.S.C.
12 2021(a)(2)) is amended to read as follows:

13 “(2) AGENCY CONTRIBUTIONS.—The Agency
14 shall contribute to the Fund the amount computed
15 in a manner similar to that used under section
16 8334(a) of title 5, United States Code, pursuant to
17 determinations of the normal cost percentage of the
18 Central Intelligence Agency Retirement and Dis-
19 ability System by the Director. Contributions under
20 this paragraph shall be paid from amounts available
21 for salaries and expenses.”.

22 (d) Section 261 of such Act (50 U.S.C. 2091) is
23 amended—

24 (1) by striking subsections (c), (d), and (e); and

1 (2) by inserting after subsection (b) the fol-
2 lowing new subsections:

3 “(c)(1) Not later than June 30, 2008, the Director
4 shall cause to be made actuarial valuations of the Fund
5 that determine the unfunded liability of the Fund, as of
6 September 30, 2007, attributable to benefits payable
7 under this title and make recommendations regarding its
8 liquidation. After considering such recommendations, the
9 Director shall establish an amortization schedule, includ-
10 ing a series of annual installments commencing October
11 1, 2008, which provides for the liquidation of such liability
12 by October 1, 2046.

13 “(2) The Director shall redetermine the unfunded li-
14 ability of the Fund as of the close of the fiscal year, for
15 each fiscal year beginning after September 30, 2007,
16 through the fiscal year ending September 30, 2041, and
17 shall establish a new amortization schedule, including a
18 series of annual installments commencing on October 1
19 of the second subsequent fiscal year, which provides for
20 the liquidation of such liability by October 1, 2046.

21 “(3) The Director shall redetermine the unfunded li-
22 ability of the Fund as of the close of the fiscal year for
23 each fiscal year beginning after September 30, 2041, and
24 shall establish a new amortization schedule, including a
25 series of annual installments commencing on October 1

1 of the second subsequent fiscal year, which provides for
 2 the liquidation of such liability over five years.

3 “(4) Amortization schedules established under this
 4 subsection shall be set in accordance with generally accept-
 5 ed actuarial practices and principles, with interest com-
 6 puted at the rate used in the most recent valuation of the
 7 Civil Service Retirement and Disability System.

8 “(d) At the beginning of each fiscal year, beginning
 9 on October 1, 2008, the Director shall notify the Secretary
 10 of the Treasury of the amount of the first installment
 11 under the most recent amortization schedule established
 12 under subsection (c). The Secretary shall credit that
 13 amount to the Fund, as a Government contribution, out
 14 of any money in the Treasury of the United States not
 15 otherwise appropriated. For the purposes of Section 504
 16 of the National Security Act of 1947, this amount shall
 17 be considered authorized.”.

18 (e)(1) Title III of such Act (50 U.S.C. 2151 et seq.)
 19 is amended by adding at the end the following new section:

20 **“SEC. 308. FULL FUNDING OF RETIREE COSTS FOR EM-**
 21 **PLOYEES DESIGNATED UNDER SECTION 302.**

22 “(a) In addition to other government contributions
 23 required by law, the Agency shall contribute to the Civil
 24 Service Retirement and Disability fund (hereinafter in this
 25 section referred to as the ‘Fund’) amounts calculated in

1 accordance with section 8423 of title 5, United States
2 Code, based on the projected number of employees to be
3 designated pursuant to section 302 of this Act. In addi-
4 tion, the Agency, in a manner similar to that established
5 for employee contributions to the Fund by section 8422
6 of title 5, United States Code, will contribute an amount
7 equal to the difference between that which would be con-
8 tributed by the number of employees projected to be des-
9 ignated under section 302 and the amounts that are actu-
10 ally being deducted and contributed from the basic pay
11 of an equal number of employees pursuant to section
12 8422. The amounts of the Agency's contributions under
13 this subsection shall be determined by the Director of the
14 Office of Personnel Management, in consultation with the
15 Director, and shall be paid by the Agency from funds
16 available for salaries and expenses. Agency employees des-
17 ignated pursuant to section 302 of this Act shall, com-
18 mencing with such designation, have deducted from their
19 basic pay the full amount required by section 8422 of title
20 5, United States Code, and such deductions shall be con-
21 tributed to the Fund.

22 “(b)(1) The Director of the Office of Personnel Man-
23 agement, in consultation with the Director, shall deter-
24 mine the total amount of unpaid contributions (govern-
25 ment and employee contributions) and interest attrib-

1 utable to the number of individuals employed with the
2 Agency on September 30, 2008, who are projected to be
3 designated under section 302 of this Act, but are not yet
4 designated under that section as of that date. The amount
5 shall be referred to as the section 302 unfunded liability.

6 “(2) Not later than June 30, 2009, the Director of
7 the Office of Personnel Management, in consultation with
8 the Director, shall establish an amortization schedule, set-
9 ting forth a series of annual installments commencing
10 September 30, 2009, which provides for the liquidation of
11 the section 302 unfunded liability by September 30, 2016.

12 “(3) At the end of each fiscal year, beginning on Sep-
13 tember 30, 2009, the Director shall notify the Secretary
14 of the Treasury of the amount of the annual installment
15 under the amortization schedule established under para-
16 graph (2) of this subsection. Before closing the accounts
17 for that fiscal year, the Secretary shall credit that amount
18 to the Fund, out of any money in the Treasury of the
19 United States not otherwise appropriated.

20 “(c) Amounts paid by the Agency pursuant to this
21 section are deemed to be specifically authorized by the
22 Congress for the purposes of section 504 of the National
23 Security Act of 1947.”.

1 (2) The table of contents of such Act is amended by
 2 inserting after the item relating to section 307 the fol-
 3 lowing new item:

“Sec. 308. Full funding of retiree costs for employees designated under section 302.”.

4 **SEC. 403. FOREIGN SERVICE RETIREMENT AND DISABILITY**
 5 **SYSTEM.**

6 (a) Chapter 8 of title I of the Foreign Service Act
 7 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
 8 94 Stat. 2071, as amended, is further amended in section
 9 804 (22 U.S.C. 4044)—

10 (1) by amending paragraph (5) to read as fol-
 11 lows:

12 “(5) ‘normal cost percentage’ means the entry-
 13 age normal cost computed in accordance with gen-
 14 erally accepted actuarial practice and standards
 15 (using dynamic assumptions) and expressed as a
 16 level percentage of aggregate basic pay.”;

17 (2) by amending paragraph (14) to read as fol-
 18 lows:

19 “(14) ‘unfunded liability’ means the estimated
 20 excess of—

21 “(A) the actuarial present value of all fu-
 22 ture benefits payable from the Fund under this
 23 part based on the service of current or former
 24 participants, over

1 “(B) the sum of—

2 “(i) the actuarial present value of de-
3 ductions to be withheld from the future
4 basic pay of participants currently subject
5 to this part pursuant to section 805;

6 “(ii) the actuarial present value of the
7 future contributions to be made pursuant
8 to section 805 with respect to participants
9 currently subject to this part;

10 “(iii) the Fund balance, as defined in
11 paragraph (7), as of the date the unfunded
12 liability is determined, excluding any
13 amount attributable to the Foreign Service
14 Pension System, or contributions made
15 under the Federal Employees’ Retirement
16 Contribution Temporary Adjustment Act
17 of 1983 by or on behalf of any individual
18 who became subject to the Foreign Service
19 Pension System; and

20 “(iv) any other appropriate amount,
21 as determined by the Secretary of the
22 Treasury in accordance with generally ac-
23 cepted actuarial practices and principles.”;
24 and

1 (3)(A) by striking the period at the end of
2 paragraph (15) and inserting “; and”; and

3 (B) by adding at the end the following new
4 paragraph:

5 “(16) ‘dynamic assumptions’ means economic
6 assumptions that are used in determining actuarial
7 costs and liabilities of a retirement system and in
8 anticipating the effects of long-term future—

9 “(A) investment yields;

10 “(B) increases in rates of basic pay; and

11 “(C) rates of price inflation.”.

12 (b) Chapter 8 of title I of the Foreign Service Act
13 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
14 94 Stat. 2071, as amended, is further amended in section
15 852 (22 U.S.C. 4071a)—

16 (1) in paragraph (4)—

17 (A) by striking “normal cost” and insert-
18 ing “normal cost percentage”; and

19 (B) by striking “by the Secretary of
20 State”;

21 (2) in paragraph (7)—

22 (A) by striking “supplemental” and insert-
23 ing “unfunded”;

1 (B) in subparagraph (B)(i) by striking
2 “(I)” and “and (II) contributions for past civil-
3 ian and military service”; and

4 (C) in subparagraph (B)(ii) by inserting
5 before the semicolon “with respect to partici-
6 pants currently subject to this part”; and

7 (3)(A) at the end of paragraph (8) by striking
8 “and”;

9 (B) at the end of paragraph (9) by striking the
10 period and inserting “; and”; and

11 (C) by adding at the end the following new
12 paragraph:

13 “(10) ‘dynamic assumptions’ means economic
14 assumptions that are used in determining actuarial
15 costs and liabilities of a retirement system and in
16 anticipating the effects of long-term future—

17 “(A) investment yields;

18 “(B) increases in rates of basic pay; and

19 “(C) rates of price inflation.”.

20 (c) Chapter 8 of title I of the Foreign Service Act
21 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
22 94 Stat. 2071, as amended, is further amended in section
23 805(a)(1) (22 U.S.C. 4045(a)(i))—

24 (1) by striking the second sentence;

1 (2) (by redesignating that subsection, as so
2 amended, as (a)(1)(A);

3 (3) by redesignating the last sentence of that
4 subsection, as so amended as (a)(1)(C);

5 (4) by inserting after subparagraph (A) the fol-
6 lowing new subparagraph:

7 “(B) Each employing agency having par-
8 ticipants shall contribute to the Fund the
9 amount computed in a manner similar to that
10 used under section 8334(a) of title 5, United
11 States Code, pursuant to determinations of the
12 normal cost percentage of the Foreign Service
13 Retirement and Disability System. Contribu-
14 tions under this subparagraph shall be paid
15 from the appropriations or fund used for pay-
16 ment of the salary of the participant.”;

17 (5) in subsection (a)(2)(A) by striking “An
18 equal amount shall be contributed by the Depart-
19 ment” and inserting in its place “Each employing
20 agency having participants shall contribute to the
21 Fund the amount computed in a manner similar to
22 that used under section 8334(a) of title 5, United
23 States Code, pursuant to determinations of the nor-
24 mal cost percentage of the Foreign Service Retire-
25 ment and Disability System”; and

1 (6) in subsection (a)(2)(B) by striking “An
2 equal amount shall be contributed by the Depart-
3 ment” and inserting in its place “Each employing
4 agency having participants shall contribute to the
5 Fund from amounts available for salaries and ex-
6 penses the amount computed in a manner similar to
7 that used under section 8334(a) of title 5, United
8 States Code, pursuant to determinations of the nor-
9 mal cost percentage of the Foreign Service Retire-
10 ment and Disability System”.

11 (d) Chapter 8 of title I of the Foreign Service Act
12 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
13 94 Stat. 2071, as amended, is further amended by repeal-
14 ing sections 821 and 822 (22 U.S.C. 4061 and 4062) and
15 by adding the following new section:

16 **“§ 821 Unfunded liability**

17 “(a)(1) Not later than June 30, 2008, the Secretary
18 of State shall cause to be made actuarial valuations of the
19 Fund that determine the unfunded liability of the Fund,
20 as of September 30, 2007, attributable to benefits payable
21 under this subchapter and make recommendations regard-
22 ing its liquidation. After considering such recommenda-
23 tions, the Secretary of State shall establish an amortiza-
24 tion schedule, including a series of annual installments

1 commencing October 1, 2007, which provides for the liq-
2 uidation of such liability by October 1, 2046.

3 “(2) The Secretary of State shall redetermine the un-
4 funded liability of the Fund as of the close of the fiscal
5 year, for each fiscal year beginning after September 30,
6 2007, through the fiscal year ending September 30, 2041,
7 and shall establish a new amortization schedule, including
8 a series of annual installments commencing on October 1
9 of the second subsequent fiscal year, which provides for
10 the liquidation of such liability by October 1, 2046.

11 “(3) The Secretary of State shall redetermine the un-
12 funded liability of the Fund as of the close of the fiscal
13 year for each fiscal year beginning after September 30,
14 2041, and shall establish a new amortization schedule, in-
15 cluding a series of annual installments commencing on Oc-
16 tober 1 of the second subsequent fiscal year, which pro-
17 vides for the liquidation of such liability over five years.

18 “(4) Amortization schedules established under this
19 subsection shall be set in accordance with generally accept-
20 ed actuarial practices and principles, with interest com-
21 puted at the rate used in the most recent valuation of the
22 Foreign Service Retirement and Disability System.

23 “(b) At the beginning of each fiscal year, beginning
24 on October 1, 2008, the Secretary of State shall notify
25 the Secretary of the Treasury of the amount of the first

1 installment under the most recent amortization schedule
2 established under paragraph (1). The Secretary of the
3 Treasury shall credit that amount to the Fund, as a Gov-
4 ernment contribution, out of any money in the Treasury
5 of the United States not otherwise appropriated.”.

6 (e) Chapter 8 of title I of the Foreign Service Act
7 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
8 94 Stat. 2071, as amended, is further amended in section
9 857(b)(1) (22 U.S.C. 4071f(b)(1)) by striking “equal an-
10 nual installments” and inserting “annual installments set
11 in accordance with generally accepted actuarial practices
12 and principles”.

13 (f) Chapter 8 of title I of the Foreign Service Act
14 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
15 94 Stat. 2071, as amended, is further amended in section
16 859 (22 U.S.C. 4071h) by adding “percentage” after
17 “normal cost”.

18 (g) Chapter 8 of title I of the Foreign Service Act
19 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)
20 94 Stat. 2071, as amended, is further amended in section
21 802 (22 U.S.C. 4042) by adding at the end the following:
22 “The Fund is appropriated for the payment of benefits
23 as provided by this subchapter.”.

24 (h) Chapter 8 of title I of the Foreign Service Act
25 of 1980, Public Law 96–465, (22 U.S.C. 4041 et seq.)

1 94 Stat. 2071, as amended, is further amended in section
 2 818 (22 U.S.C. 4058) by striking “System” and inserting
 3 “Systems under this subchapter”.

4 **SEC. 404. PUBLIC HEALTH SERVICE COMMISSIONED CORPS**
 5 **RETIREMENT SYSTEM.**

6 (a) IN GENERAL.—Title II of the Public Health Serv-
 7 ice Act (42 U.S.C. 202 et seq.) is amended by adding at
 8 the end the following new part:

9 “PART C—PUBLIC HEALTH SERVICE COMMISSIONED
 10 CORPS RETIREMENT SYSTEM

11 “ESTABLISHMENT AND PURPOSE OF FUND

12 “SEC. 251. There is established on the books of the
 13 Treasury a fund to be known as the Public Health Service
 14 Commissioned Corps Retirement Fund (hereinafter in this
 15 part referred to as the ‘Fund’), which shall be adminis-
 16 tered by the Secretary. The Fund shall be used for the
 17 accumulation of funds in order to finance on an actuarially
 18 sound basis liabilities of the Department of Health and
 19 Human Services for benefits payable on account of retire-
 20 ment, disability, or death to commissioned officers of the
 21 Public Health Service and to their survivors pursuant to
 22 part A of this title.

23 “ASSETS OF THE FUND

24 “SEC. 252. There shall be deposited into the Fund
 25 the following, which shall constitute the assets of the
 26 Fund:

1 “(1) Amounts paid into the Fund under section
2 255.

3 “(2) Any return on investment of the assets of
4 the Fund.

5 “(3) Amounts transferred into the Fund pursu-
6 ant to section 404(c) of the Family Budget Protec-
7 tion Act of 2007.

8 “PAYMENT FROM THE FUND

9 “SEC. 253. There shall be paid from the Fund bene-
10 fits payable on account of retirement, disability, or death
11 to commissioned officers of the Public Health Service and
12 to their survivors pursuant to part A of this title.

13 “DETERMINATION OF CONTRIBUTIONS TO THE FUND

14 “SEC. 254. (a)(1) Not later than June 30, 2008, the
15 Secretary shall determine the unfunded liability of the
16 Fund attributable to service performed as of September
17 30, 2007, which is ‘active service’ for the purpose of sec-
18 tion 212. The Secretary shall establish an amortization
19 schedule, including a series of annual installments com-
20 mencing October 1, 2008, which provides for the liquida-
21 tion of such liability by October 1, 2046.

22 “(2) The Secretary shall redetermine the unfunded
23 liability of the Fund as of the close of the fiscal year, for
24 each fiscal year beginning after September 30, 2007,
25 through the fiscal year ending September 30, 2041, and
26 shall establish a new amortization schedule, including a

1 series of annual installments commencing on October 1
2 of the second subsequent fiscal year, which provides for
3 the liquidation of such liability by October 1, 2046.

4 “(3) The Secretary shall redetermine the unfunded
5 liability of the Fund as of the close of the fiscal year for
6 each fiscal year beginning after September 30, 2041, and
7 shall establish a new amortization schedule, including a
8 series of annual installments commencing on October 1
9 of the second subsequent fiscal year, which provides for
10 the liquidation of such liability over 5 years.

11 “(b) The Secretary shall determine each fiscal year,
12 in sufficient time for inclusion in the budget request for
13 the following fiscal year, the total amount of Department
14 of Health and Human Services contributions to be made
15 to the Fund during the fiscal year under section 255(a).
16 That amount shall be the sum of—

17 “(1) the product of—

18 “(A) the current estimate of the value of
19 the single level percentage of basic pay to be de-
20 termined under subsection (c)(1) at the time of
21 the most recent actuarial valuation under sub-
22 section (c); and

23 “(B) the total amount of basic pay ex-
24 pected to be paid during that fiscal year to
25 commissioned officers of the Public Health

1 Service on active duty (other than active duty
2 for training); and

3 “(2) the product of—

4 “(A) the current estimate of the value of
5 the single level percentage of basic pay and of
6 compensation (paid pursuant to section 206 of
7 title 37, United States Code) to be determined
8 under subsection (c)(2) at the time of the most
9 recent actuarial valuation under subsection (c);
10 and

11 “(B) the total amount of basic pay and of
12 compensation (paid pursuant to section 206 of
13 title 37, United States Code) expected to be
14 paid during the fiscal year to commissioned of-
15 ficers of the Reserve Corps of the Public Health
16 Service (other than officers on full-time duty
17 other than for training) who are not otherwise
18 described in subparagraph (A).

19 “(c) Not less often than every four years thereafter
20 (or by the fiscal year end prior to the effective date of
21 any statutory change affecting benefits payable on account
22 of retirement, disability, or death to commissioned officers
23 or their survivors), the Secretary shall carry out an actu-
24 arial valuation of benefits payable on account of retire-
25 ment, disability, or death to commissioned officers of the

1 Public Health Service and to their survivors pursuant to
2 part A of this title. Each such actuarial valuation shall
3 be signed by an enrolled Actuary and shall include—

4 “(1) a determination (using the aggregate
5 entry-age normal cost method) of a single level per-
6 centage of basic pay for commissioned officers of the
7 Public Health Service on active duty (other than ac-
8 tive duty for training); and

9 “(2) a determination (using the aggregate
10 entry-age normal cost method) of a single level per-
11 centage of basic pay and of compensation (paid pur-
12 suant to section 206 of title 37, United States Code)
13 of commissioned officers of the Reserve Corps of the
14 Public Health Service (other than officers on full
15 time duty other than for training) who are not oth-
16 erwise described in paragraph (1).

17 “(d) All determinations under this section shall be in
18 accordance with generally accepted actuarial principles
19 and practices and, where appropriate, shall follow the gen-
20 eral pattern of methods and assumptions approved by the
21 Department of Defense Retirement Board of Actuaries.

22 “(e) The Secretary shall provide for the keeping of
23 such records as are necessary for determining the actu-
24 arial status of the Fund.

1 “PAYMENTS INTO THE FUND

2 “SEC. 255. (a) From amounts available to the De-
3 partment of Health and Human Services for salaries and
4 expenses, the Secretary shall pay into the Fund at the end
5 of each month the amount that is the sum of—

6 “(1) the product of—

7 “(A) the level percentage of basic pay de-
8 termined using all the methods and assump-
9 tions approved for the most recent (as of the
10 first day of the current fiscal year) actuarial
11 valuation under sections 254(c)(1) (except that
12 any statutory change affecting benefits payable
13 on account of retirement, disability, or death to
14 commissioned officers or their survivors that is
15 effective after the date of that valuation and on
16 or before the first day of the current fiscal year
17 shall be used in such determination); and

18 “(B) the total amount of basic pay accrued
19 for that month by commissioned officers of the
20 Public Health Service on active duty (other
21 than active duty for training); and

22 “(2) the product of—

23 “(A) the level percentage of basic pay and
24 of compensation (paid pursuant to section 206
25 of title 37, United States Code) determined

1 using all the methods and assumptions ap-
2 proved for the most recent (as of the first day
3 of the current fiscal year) actuarial valuation
4 under section 254(c)(2) (except that any statu-
5 tory change affecting benefits payable on ac-
6 count of retirement, disability, or death to com-
7 missioned officers or their survivors that is ef-
8 fective after the date of that valuation and on
9 or before the first day of the current fiscal year
10 shall be used in such determinations); and

11 “(B) the total amount of basic pay and of
12 compensation (paid pursuant to section 206 of
13 title 37, United States Code) accrued for that
14 month by commissioned officers of the Reserve
15 Corps of the Public Health Service (other than
16 officers on full-time duty other than for train-
17 ing).

18 “(b) At the beginning of each fiscal year, beginning
19 on October 1, 2008, the Secretary shall certify to the Sec-
20 retary of the Treasury the amount of the first installment
21 under the most recent amortization schedule established
22 under section 254(a). The Secretary of the Treasury shall
23 pay into the Fund from the General Fund of the Treasury
24 the amount so certified. Such payment shall be the con-
25 tribution to the Fund for that fiscal year.

1 “INVESTMENTS OF ASSETS OF FUND

2 “SEC. 256. The Secretary may request the Secretary
3 of the Treasury to invest such portion of the Fund as is
4 not, in the judgment of the Secretary, required to meet
5 the current needs of the Fund. Such investments shall be
6 made by the Secretary of the Treasury in public debt secu-
7 rities with maturities suitable to the needs of the Fund,
8 as determined by the Secretary, and bearing interest at
9 rates determined by the Secretary of the Treasury, taking
10 into consideration current market yields on outstanding
11 marketable obligations of the United States of comparable
12 maturities. The income on such investments shall be cred-
13 ited to and form a part of the Fund.

14 “IMPLEMENTATION YEAR EXCEPTIONS

15 “SEC. 257. (a) To avoid funding shortfalls in the first
16 year should formal actuarial determinations not be avail-
17 able in time for budget preparation, the amounts used in
18 the first year in sections 255(a)(1)(A) and 255(a)(2)(A)
19 shall be set equal to those estimates in sections
20 254(b)(1)(A) and 254(b)(2)(A) if final determinations are
21 not available. The original unfunded liability as defined
22 in section 254(a) shall include an adjustment to correct
23 for this difference between the formal actuarial determina-
24 tions and the estimates in sections 254(b)(1)(A) and
25 254(b)(2)(A).”.

26 (b) CONFORMING AMENDMENTS.—

1 (1) CONDITION OF DETAIL.—Section 214 of the
2 Public Health Service Act (42 U.S.C. 215) is
3 amended by adding at the end the following new
4 subsection:

5 “(e) The Secretary shall condition any detail under
6 subsection (a), (b), or (c) upon the agreement of the execu-
7 tive department, State, subdivision, Committee of the
8 Congress, or institution concerned to pay to the Depart-
9 ment of Health and Human Services, in advance or by
10 way of reimbursement, for the full cost of the detail in-
11 cluding that portion of the contributions under section
12 255(a) that is attributable to the detailed personnel.”.

13 (2) SEQUESTRATION RULE.—Section 256(f) of
14 the Balanced Budget and Emergency Deficit Control
15 Act of 1985 (2 U.S.C. 906(f)) is amended—

16 (A) by inserting after the item relating to
17 “payment to the foreign service retirement and
18 disability fund” the following item: “Payment
19 to the Public Health Service Commissioned
20 Corps Retirement Fund (75–0380–0–1–551);”;
21 and

22 (B) by inserting after the item relating to
23 the “Pensions for former Presidents” the fol-
24 lowing item: “Public Health Service Commis-

1 sioned Corps Retirement Fund (75–8274–0–7–
2 602);”.

3 (c) TRANSFER OF APPROPRIATIONS.—There shall be
4 transferred on October 1, 2009, into the fund established
5 under section 251 of the Public Health Service Act, as
6 added by subsection (a), any obligated or unobligated bal-
7 ances of appropriations made to the Department of Health
8 and Human Services that are currently available for bene-
9 fits payable on account of retirement, disability, or death
10 to commissioned officers of the Public Health Service and
11 to their survivors pursuant to part A of title II of the Pub-
12 lic Health Service Act, and amounts so transferred shall
13 be part of the assets of the Fund.

14 **SEC. 405. NATIONAL OCEANIC AND ATMOSPHERIC ADMIN-**
15 **ISTRATION COMMISSIONED OFFICER CORPS**
16 **RETIREMENT SYSTEM.**

17 (a) IN GENERAL.—The National Oceanic and Atmos-
18 pheric Administration Commissioned Officer Corps Act of
19 2002 (title II of Public Law 107–372) is amended by in-
20 serting after section 246 (33 U.S.C. 3046) the following
21 new section:

22 **“SEC. 246A.**

23 “(a) ESTABLISHMENT AND PURPOSE OF NOAA
24 COMMISSIONED OFFICER CORPS RETIREMENT FUND.—
25 (1) There is established on the books of the Treasury a

1 fund to be known as the National Oceanic and Atmos-
2 pheric Administration Commissioned Officer Corps Retire-
3 ment Fund (hereinafter in this section referred to as the
4 ‘Fund’), which shall be administered by the Secretary. The
5 Fund shall be used for the accumulation of funds in order
6 to finance on an actuarially sound basis liabilities of the
7 Department of Commerce under military retirement and
8 survivor benefit programs for the commissioned officers
9 corps.

10 “(2) The term ‘military retirement and survivor ben-
11 efit program’ means—

12 “(A) the provisions of this title and title 10,
13 United States Code, creating entitlement to, or de-
14 termining, the amount of retired pay;

15 “(B) the programs under the jurisdiction of the
16 Department of Defense providing annuities for sur-
17 vivors and members and former members of the
18 Armed Forces, including chapter 73 of title 10, sec-
19 tion 4 of Public Law 92–425, and section 5 of Pub-
20 lic Law 96–202, as made applicable to the commis-
21 sioned officer corps by section 261.

22 “(b) ASSETS OF THE FUND.—There shall be depos-
23 ited into the Fund the following, which shall constitute
24 the assets of the Fund:

1 “(1) Amounts paid into the Fund under sub-
2 section (e).

3 “(2) Any return on investment of the assets of
4 the Fund.

5 “(3) Amounts transferred into the Fund pursu-
6 ant to section 405(c) of the Family Budget Protec-
7 tion Act of 2007.

8 “(c) PAYMENTS FROM THE FUND.—There shall be
9 paid from the Fund benefits payable on account of mili-
10 tary retirement and survivor benefit programs to commis-
11 sioned officers of the commissioned officer corps and their
12 survivors.

13 “(d) DETERMINATION OF CONTRIBUTIONS TO THE
14 FUND.—(1)(A) Not later than June 30, 2007, the Sec-
15 retary shall determine the unfunded liability of the Fund
16 attributable to service performed as of September 30,
17 2007, which is ‘active service’ for the purpose of this title.
18 The Secretary shall establish an amortization schedule, in-
19 cluding a series of annual installments commencing Octo-
20 ber 1, 2008, which provides for the liquidation of such
21 liability by October 1, 2046.

22 “(B) The Secretary shall redetermine the unfunded
23 liability of the Fund as of the close of the fiscal year, for
24 each fiscal year beginning after September 30, 2007,
25 through the fiscal year ending September 30, 2041, and

1 shall establish a new amortization schedule, including a
2 series of annual installments commencing on September
3 30 of the subsequent fiscal year, which provides for the
4 liquidation of such liability by October 1, 2046.

5 “(C) The Secretary shall redetermine the unfunded
6 liability of the Fund as of the close of the fiscal year for
7 each fiscal year beginning after September 30, 2041, and
8 shall establish a new authorization schedule, including se-
9 ries of annual installments commencing on October 1 of
10 the second subsequent fiscal year, which provides for the
11 liquidation of such liability over 5 years.

12 “(2) The Secretary shall determine each fiscal year,
13 in sufficient time for inclusion in the budget request for
14 the following fiscal year, the total amount of Department
15 of Commerce contributions to be made to the Fund during
16 that fiscal year under (e). The amount shall be the product
17 of—

18 “(A) the current estimate of the value of the
19 single level percentage of basic pay to be determined
20 under subsection (e) at the time of the most recent
21 actuarial valuation under paragraph (3); and

22 “(B) the total amount of basic pay expected to
23 be paid during that fiscal year to commissioned offi-
24 cers of NOAA on active duty.

1 “(3) Not less often than every four years (or by the
2 fiscal year end before the effective date of any statutory
3 change affecting benefits payable on account of retire-
4 ment, disability, or death to commissioned officers or their
5 survivors), the Secretary shall carry out an actuarial valu-
6 ation of benefits payable on account of military retirement
7 and survivor benefit programs to commissioned officers of
8 the Administration and to their survivors. Each such actu-
9 arial valuation shall be signed by an enrolled Actuary and
10 shall include a determination (using the aggregate entry-
11 age normal cost method) of a single level percentage of
12 basic pay for commissioned officers on active duty.

13 “(4) All determinations under this section shall be in
14 accordance with generally accepted actuarial principles
15 and practices, and, where appropriate, shall follow the
16 general pattern of methods and assumptions approved by
17 the Department of Defense Retirement Board of Actu-
18 aries.

19 “(5) The Secretary shall provide for the keeping of
20 such records as are necessary for determining the actu-
21 arial status of the Fund.

22 “(e) PAYMENTS INTO THE FUND.—(1) From
23 amounts appropriated to the National Oceanic Atmos-
24 pheric Administration for salaries and expenses, the Sec-

1 retary shall pay into the Fund at the end of each month
2 the amount that is the product of—

3 “(A) the level percentage of basic pay deter-
4 mined using all the methods and assumptions ap-
5 proved for the most recent (as of the first day of the
6 current fiscal year) actuarial valuation under sub-
7 section (d) (except that any statutory change affect-
8 ing benefits payable on account of military retire-
9 ment and survivor benefit programs to commissioned
10 officers of the Administration and to their survivors
11 that is effective date after the date of that valuation
12 and on or before the first day of the current fiscal
13 year shall be used in such determination); and

14 “(B) the total amount of basic pay accrued for
15 that month by commissioned officers on active duty.

16 “(2)(A) At the beginning of each fiscal year, the Sec-
17 retary shall determine the sum of—

18 “(i) the amount of the payment for that year
19 under the amortization of the original unfunded li-
20 ability of the Fund;

21 “(ii) the amount (including any negative
22 amount) for that year under the most recent amorti-
23 zation schedule determined by the Secretary for the
24 amortization of any cumulative actuarial gain or loss
25 to the Fund, resulting from changes in benefits; and

1 “(iii) the amount (including any negative
2 amount) for that year under the most recent amorti-
3 zation schedule determined by the Secretary for the
4 amortization or any cumulative actuarial gain or loss
5 to the Fund resulting from changes in actuarial as-
6 sumptions and from experience different from the
7 assumed since the last valuation.

8 The Secretary shall promptly certify the amount of the
9 sum to the Secretary of the Treasury.

10 “(B) Upon receiving the certification pursuant to
11 paragraph (1), the Secretary of the Treasury shall
12 promptly pay into the Fund from the General Fund of
13 the Treasury the amount so certified. Such payment shall
14 be the contribution to the Fund for that fiscal year.

15 “(f) INVESTMENT OF ASSETS OF THE FUND.—The
16 Secretary may request the Secretary of the Treasury to
17 invest such portion of the Fund as is not, in the judgment
18 of the Secretary, required to meet the current needs of
19 the Fund. Such investments shall be made by the Sec-
20 retary of the Treasury in public debt securities with matu-
21 rities suitable to the needs of the Fund, as determined
22 by the Secretary, and bearing interest at rates determined
23 by the Secretary of the Treasury, taking into consideration
24 current market yields on outstanding marketable obliga-
25 tions of the United States of comparable maturities. The

1 income of such investments shall be credited to and form
2 a part of the Fund.

3 “(g) IMPLEMENTATION YEAR EXCEPTIONS.—(1) To
4 avoid funding shortfalls in the first year should formal ac-
5 tuarial determinations not be available in time for budget
6 preparation, the amounts used in the first year in sub-
7 section (e)(1)(A) shall be set equal to the estimate in sub-
8 section (d)(2)(A) if final determinations are not available.
9 The original unfunded liability as determined in sub-
10 section (d)(1) shall include an adjustment to correct for
11 this difference between the formal actuarial determina-
12 tions and the estimates in subsection (d)(2)(A).”.

13 (b) SEQUESTRATION RULE.—Section 256(f) of the
14 Balanced Budget and Emergency Deficit Control Act of
15 1985 (2 U.S.C. 906(f)) is amended by striking “National
16 Oceanic and Atmospheric Administration retirement (13–
17 1450–0–1–306);” and inserting “National Oceanic and
18 Atmospheric Administration Commissioned Officer Corps
19 Retirement Fund;”.

20 (c) TRANSFER OF APPROPRIATIONS.—There shall be
21 transferred on October 1, 2009, into the fund established
22 under section 246A(a) of the National Oceanic and At-
23 mospheric Administration Commissioned Officer Corps
24 Act of 2002 (title II of Public Law 107–372, as added
25 by subsection (a)), any obligated and unobligated balance

1 of appropriations made to the Department of Commerce
2 that are available as of the date of the enactment of this
3 Act for benefits payable on account of military retirement
4 and survivor benefit programs to commissioned officers of
5 the NOAA Commissioned Officer Corps and to their sur-
6 vivors, and amounts so transferred shall be part of the
7 assets of the Fund, effective October 1, 2009.

8 (d) EFFECTIVE DATE.—Subsection (c) (relating to
9 payments from the Fund) and (e) (relating to payments
10 into the Fund) of section 246A of the National Oceanic
11 and Atmospheric Administration Commissioned Officer
12 Corps Act of 2002 (title II of Public Law 107–372, as
13 added by subsection (a)), shall take effect on October 1,
14 2007.

15 **SEC. 406. COAST GUARD MILITARY RETIREMENT SYSTEM.**

16 (a) ACCRUAL FUNDING FOR COAST GUARD RETIRE-
17 MENT.—

18 (1) IN GENERAL.—Chapter 11 of title 14,
19 United States Code, is amended by adding at the
20 end the following new subchapter:

1 “SUBCHAPTER V—COAST GUARD MILITARY
2 RETIREMENT FUND

3 **“§ 441. Establishment and purpose of Fund; defini-**
4 **tions**

5 “(a) ESTABLISHMENT OF FUND; PURPOSE.—There
6 is established on the books of the Treasury a fund to be
7 known as the Coast Guard Military Retirement Fund
8 (hereinafter in this subchapter referred to as the ‘Fund’),
9 which shall be administered by the Secretary. The Fund
10 shall be used for the accumulations of funds in order to
11 finance on an actuarially sound basis liabilities of the
12 Coast Guard under military retirement and survivor ben-
13 efit programs.

14 “(b) MILITARY RETIREMENT AND SURVIVOR BEN-
15 EFIT PROGRAMS DEFINED.—In this subchapter, the term
16 ‘military retirement and survivor benefit programs’
17 means—

18 “(1) the provisions of this title and title 10 cre-
19 ating entitlement to, or determining the amount of,
20 retired pay;

21 “(2) the programs providing annuities for sur-
22 vivors of members and former members of the
23 armed forces, including chapter 73 of title 10, sec-
24 tion 4 of Public Law 92–425, and section 5 of Pub-
25 lic Law 96–402; and

1 “(3) the authority provided in section 1048(h)
2 of title 10.

3 “(c) SECRETARY DEFINED.—In this subchapter, the
4 term ‘Secretary’ means the Secretary of Homeland Secu-
5 rity when the Coast Guard is not operating as a service
6 in the Navy and the Secretary of Defense when the Coast
7 Guard is operating as a service in the Navy.

8 **“§ 442. Assets of the Fund**

9 “‘There shall be deposited into the Fund the fol-
10 lowing, which shall constitute the assets of the Fund:

11 “(1) Amounts paid into the Fund under section
12 445 of this title.

13 “(2) Any return on investment of the assets of
14 the Fund.

15 “(3) Amounts transferred into the Fund pursu-
16 ant to section 406(d) of the Family Budget Protec-
17 tion Act of 2007.

18 **“§ 443. Payments from the Fund**

19 “(a) IN GENERAL.—There shall be paid from the
20 Fund the following:

21 “(1) Retired pay payable to persons on the re-
22 tired list of the Coast Guard.

23 “(2) Retired pay payable under chapter 1223 of
24 title 10 to former members of the Coast Guard and
25 the former United States Lighthouse Service.

1 “(3) Benefits payable under programs that pro-
2 vide annuities for survivors of members and former
3 members of the armed forces, including chapter 73
4 of title 10, section 4 of Public Law 92–425, and sec-
5 tion 5 of Public Law 96–402.

6 “(4) Amounts payable under section 1048(h) of
7 title 10.

8 “(b) AVAILABILITY OF ASSETS OF THE FUND.—The
9 assets of the Fund are hereby made available for payments
10 under subsection (a).

11 **“§ 444. Determination of contributions to the Fund**

12 “(a) INITIAL UNFUNDED LIABILITY.—(1) Not later
13 than June 30, 2008, the Secretary shall determine the un-
14 funded liability of the Fund attributable to service per-
15 formed as of September 30, 2007, which is ‘active service’
16 for the purposes of section 212. The Secretary shall estab-
17 lish an amortization schedule, including a series of annual
18 installments commencing October 1, 2008, which provides
19 for the liquidation of such liability by October 1, 2046.

20 “(2) The Secretary shall redetermine the unfunded
21 liability of the Fund as of the close of the fiscal year, for
22 each beginning after September 30, 2007, through the fis-
23 cal year ending September 30, 2041, and shall establish
24 a new amortization schedule, including a series of annual
25 installments commencing on October 1 of the second sub-

1 sequent fiscal year, which provides for the liquidation of
2 such liability by October 1, 2046.

3 “(3) The Secretary shall redetermine the unfunded
4 liability of the Fund as of the close of the fiscal year for
5 each fiscal year beginning after September 30, 2041, and
6 shall establish a new amortization schedule, including a
7 series of annual installments commencing on October 1
8 of the second subsequent fiscal year, which provides for
9 the liquidation of such liability over five years.

10 “(b) ANNUAL CONTRIBUTIONS FOR CURRENT SERV-
11 ICES.—(1) The Secretary shall determine each fiscal year,
12 in sufficient time for inclusion in the budget request for
13 the following fiscal year, the total amount of Department
14 of Homeland Security, or Department of Defense, con-
15 tributions to be made to the Fund during that fiscal year
16 under section 445(a) of this title. That amount shall be
17 the sum of the following:

18 “(A) The product of—

19 “(i) the current estimate of the value of
20 the single level percentage of basic pay to be de-
21 termined under subsection (c)(1)(A) at the time
22 of the most recent actuarial valuation under
23 subsection (c); and

24 “(ii) the total amount of basic pay ex-
25 pected to be paid during that fiscal year to

1 members of the Coast Guard on active duty
2 (other than active duty for training).

3 “(B) The product of—

4 “(i) the current estimate of the value of
5 the single level percentage of basic pay and of
6 compensation (paid pursuant to section 206 of
7 title 37) to be determined under subsection
8 (c)(1)(B) at the time of the most recent actu-
9 arial valuation under subsection (c); and

10 “(ii) the total amount of basic pay and
11 compensation (paid pursuant to section 206 of
12 title 37) expected to be paid during that fiscal
13 year to members of the Coast Guard Ready Re-
14 serve (other than members on full-time Reserve
15 duty other than for training) who are not other-
16 wise described in subparagraph (A)(ii).

17 “(2) The amount determined under paragraph (1) for
18 any fiscal year is the amount needed to be appropriated
19 to the Department of Homeland Security for that fiscal
20 year for payments to be made to the Fund during that
21 year under section 445(a) of this title. The President shall
22 include not less than the full amount so determined in the
23 budget transmitted to Congress for that fiscal year under
24 section 1105 of title 31. The President may comment and
25 make recommendations concerning any such amount.

1 “(c) PERIODIC ACTUARIAL VALUATIONS.—(1) Not
2 less often than every four years (or before the effective
3 date of any statutory change affecting benefits payable on
4 account of retirement, disability, or death to members of
5 the Coast Guard or their survivors), the Secretary shall
6 carry out an actuarial valuation of the Coast Guard mili-
7 tary retirement and survivor benefit programs. Each actu-
8 arial valuation of such programs shall be signed by an en-
9 rolled actuary and shall include—

10 “(A) a determination (using the aggregate
11 entry-age normal cost method) of a single level per-
12 centage of basic pay for members of the Coast
13 Guard on active duty (other than active duty for
14 training); and

15 “(B) a determination (using the aggregate
16 entry-age normal cost method) of single level per-
17 centage of basic pay and of compensation (paid pur-
18 suant to section 206 of title 37) for members of the
19 Ready Reserve of the Coast Guard (other than mem-
20 bers on full-time Reserve duty other than for train-
21 ing) who are not otherwise described in subpara-
22 graph (A).

23 “(2) Such single level percentages shall be used for
24 the purposes of subsection (b) and section 445(a) of this
25 title.

1 “(d) USE OF GENERALLY ACCEPTED ACTUARIAL
2 PRINCIPLES AND PRACTICES.—All determinations under
3 this section shall be in accordance with generally accepted
4 actuarial principles and practices and, where appropriate,
5 shall follow the general pattern of methods and assump-
6 tions approved by the Department of Defense Retirement
7 Board of Actuaries.

8 “(e) RECORDS.—The Secretary shall provide for the
9 keeping of such records as are necessary for determining
10 the actuarial status of the Fund.

11 **“§ 445. Payments into the Fund**

12 “(a) MONTHLY ACCRUAL CHARGE FOR CURRENT
13 SERVICES.—From amounts appropriated to the Coast
14 Guard for salaries and expenses, the Secretary shall pay
15 into the Fund at the end of each month as the Department
16 of Homeland Security, or Department of Defense, con-
17 tribution to the Fund for that month the amount that is
18 the sum of the following:

19 “(1) The product of—

20 “(A) the level percentage of basic pay de-
21 termined using all the methods and assump-
22 tions approved for the most recent (as of the
23 first day of the current fiscal year) actuarial
24 valuation under section 444(c)(1)(A) of this
25 title (except that any statutory change in the

1 military retirement and survivor benefit systems
2 that is effective after the date of that valuation
3 and on or before the first day of the current fis-
4 cal year shall be used in such determination);
5 and

6 “(B) the total amount of basic pay accrued
7 for that month by members of the Coast Guard
8 on active duty (other than active duty for train-
9 ing).

10 “(2) The product of—

11 “(A) the level percentage of basic pay and
12 compensation (accrued pursuant to section 206
13 of title 37) determined using all the methods
14 and assumptions approved for the most recent
15 (as of the first day of the current fiscal year)
16 actuarial valuation under section 444(c)(1)(B)
17 of this title (except that any statutory change
18 in the military retirement and survivor benefit
19 systems that is effective after the date of that
20 valuation and on or before the first day of the
21 current fiscal year shall be used in such deter-
22 mination); and

23 “(B) the total amount of basic pay and of
24 compensation (paid pursuant to section 206 of
25 title 37) accrued for that month by members of

1 the Ready Reserve (other than members of full-
2 time Reserve duty other than for training) who
3 are not otherwise described in paragraph
4 (1)(B).

5 “(b) ANNUAL PAYMENT FOR UNFUNDED LIABIL-
6 ITIES.—(1) At the beginning of each fiscal year, beginning
7 on October 1, 2008, the Secretary shall certify to the Sec-
8 retary of the Treasury the amount of the first installment
9 under the most recent amortization schedule established
10 under section 254(a). The Secretary of the Treasury shall
11 promptly pay into the Fund from the General Fund of
12 the Treasury the amount so certified. Such payment shall
13 be the contribution to the Fund for that fiscal year.

14 **“§ 446. Investment of assets of the Fund**

15 “The Secretary may request the Secretary of the
16 Treasury to invest such portion of the Fund as is not,
17 in the judgment of the Secretary, required to meet the
18 current needs of the Fund. Such investments shall be
19 made by the Secretary of the Treasury in public debt secu-
20 rities with maturities suitable to the needs of the Fund,
21 as determined by the Secretary, and bearing interest at
22 rates determined by the Secretary of the Treasury, taking
23 into consideration current market yields on outstanding
24 marketable obligations of the United States of comparable

1 maturities. The income on such investments shall be cred-
2 ited to and form a part of the Fund.”.

3 (2) TECHNICAL AMENDMENTS.—Such chapter
4 is further amended—

5 (A) by amending the center heading after
6 the table of sections to read as follows:

7 “SUBCHAPTER I—OFFICERS”;

8 (B) by amending the center heading after
9 section 336 to read as follows:

10 “SUBCHAPTER II—ENLISTED MEMBERS”;

11 (C) by amending the center heading after
12 section 373 to read as follows:

13 “SUBCHAPTER III—GENERAL PROVISIONS”;

14 and

15 (D) by amending the center heading after
16 section 425 to read as follows:

17 “SUBCHAPTER IV—SPECIAL PROVISIONS”.

18 (3) CLERICAL AMENDMENTS.—The table of sec-
19 tions at the beginning of such chapter is amended—

20 (A) by striking “OFFICERS” at the be-
21 ginning of the table and inserting “SUB-
22 CHAPTER I—OFFICERS”;

23 (B) by striking “ENLISTED MEM-
24 BERS” after the item relating to section 336

1 and inserting “SUBCHAPTER II—EN-
2 LISTED MEMBERS”;

3 (C) by striking “GENERAL PROVI-
4 SIONS” after the item relating to section 373
5 and inserting “SUBCHAPTER III—GEN-
6 ERAL PROVISIONS” ;

7 (D) by striking “SPECIAL PROVI-
8 SIONS” after the item relating to section 425
9 and inserting “SUBCHAPTER IV—SPECIAL
10 PROVISIONS” ; and

11 (E) by adding at the end the following:

“SUBCHAPTER V—COAST GUARD MILITARY RETIREMENT FUND

“441. Establishment and purpose of Fund; definitions.

“442. Assets of the Fund.

“443. Payments from the Fund.

“444. Determination of contributions to the Fund.

“445. Payments into the Fund.

“446. Investment of assets of the Fund.”.

12 (b) IMPLEMENTATION YEAR EXCEPTIONS.—To avoid
13 funding shortfalls in the first year of implementation of
14 subchapter V of chapter 11 of title 14, United States
15 Code, as added by subsection (a), if formal actuarial deter-
16 minations are not available in time for budget preparation,
17 the amounts used in the first year under sections
18 445(a)(1)(A) and 445(a)(2)(A) of such title shall be set
19 equal to those estimates in sections 444(b)(1)(A)(i) and
20 444(b)(1)(B)(i), respectively, of such title if final deter-
21 minations are not available. The original unfunded liabil-
22 ity, as defined in section 444(a) of such title, shall include

1 an adjustment to correct for this difference between the
2 formal actuarial determinations and the estimates in sec-
3 tions 444(b)(1)(A)(i) and 444(b)(1)(B)(i) of such title.

4 (c) CONFORMING AMENDMENT.—Section 256(f) of
5 the Balanced Budget and Emergency Deficit Control Act
6 of 1985 (2 U.S.C. 906(f)) is amended by striking “Retired
7 Pay, Coast Guard (69–0241–0–1–403)” and inserting
8 “Coast Guard Military Retirement Fund (69–0241–01–
9 403)”.

10 (d) TRANSFER OF EXISTING BALANCES.—

11 (1) TRANSFER.—There shall be transferred into
12 the Fund on October 1, 2008, any obligated and un-
13 obligated balances of appropriations made to the De-
14 partment of Homeland Security that are currently
15 available for retired pay, and amounts so transferred
16 shall be part of the assets of the Fund.

17 (2) FUND DEFINED.—For purposes of para-
18 graph (1), the term “Fund” means the Coast Guard
19 Military Retirement Fund established under section
20 441 of title 14, United States Code, as added by
21 subsection (a).

22 (e) EFFECTIVE DATE.—Sections 443 (relating to
23 payments from the Fund) and 445 (relating to payments
24 into the Fund) of title 14, United States Code, as added
25 by subsection (a), shall take effect on October 1, 2008.

1 **Subtitle B—Accrual Funding of**
2 **Post-Retirement Health Benefits**
3 **Costs for Federal Employees**

4 **SEC. 411. FEDERAL EMPLOYEES HEALTH BENEFITS FUND.**

5 (a) Section 8906 of title 5, United States Code, is
6 amended—

7 (1) by redesignating subsection (c) as sub-
8 section (c)(1) and by adding at the end the following
9 new paragraphs:

10 “(2) In addition to Government contributions re-
11 quired by subsection (b) and paragraph (1), each employ-
12 ing agency shall contribute amounts as determined by the
13 Office to be necessary to prefund the accruing actuarial
14 cost of post-retirement health benefits for each of the
15 agency’s current employees who are eligible for Govern-
16 ment contributions under this section. Amounts under this
17 paragraph shall be paid by the employing agency separate
18 from other contributions under this section, from the ap-
19 propriations or fund used for payment of the salary of the
20 employee, on a schedule to be determined by the Office.

21 “(3) Paragraph (2) shall not apply to the United
22 States Postal Service or the government of the District
23 of Columbia.”; and

24 (2) by amending subsection (g)(1) to read as
25 follows:

1 “(g)(1) Except as provided in paragraphs (2) and
2 (3), all Government contributions authorized by this sec-
3 tion for health benefits for an annuitant shall be paid from
4 the Employees Health Benefits Fund to the extent that
5 funds are available in accordance with section 8909(h)(6)
6 and, if necessary, from annual appropriations which are
7 authorized to be made for that purpose and which may
8 be made available until expended.”.

9 (b) Section 8909 of title 5, United States Code, is
10 amended by adding at the end the following new sub-
11 section:

12 “(h)(1) Not later than June 30, 2009, the Office
13 shall determine the existing liability of the Fund for post-
14 retirement health benefits, excluding the liability of the
15 United States Postal Service for service under section
16 8906(g)(2), under this chapter as of September 30, 2009.
17 The Office shall establish an amortization schedule, in-
18 cluding a series of annual installments commencing Sep-
19 tember 30, 2009, which provides for the liquidation of
20 such liability by September 30, 2045.

21 “(2) At the close of each fiscal year, for fiscal years
22 beginning after September 30, 2008, the Office shall de-
23 termine the supplemental liability of the Fund for post-
24 retirement health benefits, excluding the liability attrib-
25 utable to the United States Postal Service for service sub-

1 ject to section 8906(g)(2), and shall establish an amortiza-
2 tion schedule, including a series of annual installments
3 commencing on September 30 of the subsequent fiscal
4 year, which provides for liquidation of such supplemental
5 liability over 30 years.

6 “(3) Amortization schedules established under this
7 paragraph shall be set in accordance with generally accept-
8 ed actuarial practices and principles.

9 “(4) At the end of each fiscal year on and after Sep-
10 tember 30, 2009, the Office shall notify the Secretary of
11 the Treasury of the amounts of the next installments
12 under the most recent amortization schedules established
13 under paragraphs (1) and (2). Before closing the accounts
14 for the fiscal year, the Secretary shall credit the sum of
15 these amounts (including in that sum any negative
16 amount for the amortization of the supplemental liability)
17 to the Fund, as a Government contribution, out of any
18 money in the Treasury of the United States not otherwise
19 appropriated.

20 “(5) For the purpose of carrying out paragraphs (1)
21 and (2), the Office shall perform or arrange for actuarial
22 determinations and valuations and shall prescribe reten-
23 tion of such records as it considers necessary for making
24 periodic actuarial valuations of the Fund.

1 “(6) Notwithstanding subsection (b), the amounts de-
2 posited into the Fund pursuant to this subsection and sec-
3 tion 8906(c)(2) to prefund post-retirement health benefits
4 costs shall be segregated within the Fund so that such
5 amounts, as well as earnings and proceeds under sub-
6 section (c) attributable to them, may be used exclusively
7 for the purpose of paying Government contributions for
8 post-retirement health benefits costs. When such amounts
9 are used in combination with amounts withheld from an-
10 nuity payments to pay for health benefits, a portion of the con-
11 tributions shall then be set aside in the Fund as described
12 in subsection (b).

13 “(7) Under this subsection, ‘supplemental liability’
14 means—

15 “(A) the actuarial present value for future post-
16 retirement health benefits that are the liability of
17 the Fund, less

18 “(B) the sum of—

19 “(i) the actuarial present value of all fu-
20 ture contributions by agencies and annuitants
21 to the Fund toward those benefits pursuant to
22 section 8906;

23 “(ii) the present value of all scheduled am-
24 ortization payments to the Fund pursuant to
25 paragraphs (1) and (2);

1 “(iii) the Fund balance as of the date the
 2 supplemental liability is determined, to the ex-
 3 tent that such balance is attributable to post-re-
 4 tirement benefits; and

5 “(iv) any other appropriate amount, as de-
 6 termined by the Office in accordance with gen-
 7 erally accepted actuarial practices and prin-
 8 ciples.”.

9 **SEC. 412. FUNDING UNIFORMED SERVICES HEALTH BENE-**
 10 **FITS FOR ALL RETIREES.**

11 Title 10, United States Code, is amended—

12 (1) in the title of chapter 56, by striking “**DE-**
 13 **PARTMENT OF DEFENSE MEDICARE-**
 14 **ELIGIBLE**” and inserting “**UNIFORMED**
 15 **SERVICES**”;

16 (2) in section 1111—

17 (A) in subsection (a)—

18 (i) by striking “Department of De-
 19 fense Medicare-Eligible” and inserting
 20 “Uniformed Services”;

21 (ii) by striking “Department of De-
 22 fense under”; and

23 (iii) by striking “for medicare-eligible
 24 beneficiaries”;

25 (B) in subsection (c)—

1 (i) by striking “The Secretary of De-
2 fense may” and inserting “The Secretary
3 of Defense shall”;

4 (ii) by striking “with any other” and
5 inserting “with each”;

6 (iii) by striking “Any such agree-
7 ment” and inserting “Such agreements”;
8 and

9 (iv) by striking “administering Sec-
10 retary may” and inserting “administrative
11 Secretary shall”;

12 (3) in section 1113—

13 (A) in subsection (a)—

14 (i) by striking “and are medicare eli-
15 gible”;

16 (ii) by striking “who are medicare eli-
17 gible”; and

18 (iii) by adding at the end the fol-
19 lowing new sentence: “For the fiscal year
20 starting October 1, 2007, only, the pay-
21 ments will be solely for the costs of mem-
22 bers or former members of a uniformed
23 service who are entitled to retired or re-
24 tainer pay and are medicare-eligible, and

1 eligible dependents or survivors who are
2 medicare-eligible.”;

3 (B) in subsection (c)(1), by striking “who
4 are medicare-eligible”;

5 (C) in subsection (d), by striking “who are
6 medicare-eligible”; and

7 (D) in subsection (f), by striking “If” and
8 inserting “When”;

9 (4) in section 1114, in subsection (a)(1), by
10 striking “Department of Defense Medicare-Eligible”
11 and inserting “Uniformed Services”;

12 (5) in section 1115—

13 (A) in subsection (b)(2), by striking “The
14 amount determined under paragraph (1) for
15 any fiscal year is the amount needed to be ap-
16 propriated to the Department of Defense (or to
17 the other executive department having jurisdic-
18 tion over the participating uniformed service)”
19 and inserting “The amount determined under
20 paragraph (1), or the amount determined under
21 section 1111(c) for a participating uniformed
22 service, for any fiscal year, is the amount need-
23 ed to be appropriated to the Department of De-
24 fense (or to any other executive department

1 having jurisdiction over a participating uni-
2 formed service)”;

3 (B) in subsection (c)(2), by striking “for
4 medicare eligible beneficiaries”; and

5 (C) by adding at the end the following new
6 subsection:

7 “(f) For the fiscal year starting October 1, 2007,
8 only, the amounts in this section shall be based solely on
9 the costs of medicare-eligible benefits of beneficiaries and
10 the costs for their eligible dependents or survivors who are
11 medicare-eligible, and shall be recalculated thereafter to
12 reflect the cost of beneficiaries defined in section 1111.”;
13 and

14 (6) in section 1116—

15 (A) in subsection (a)(1)(A), by striking
16 “for medicare-eligible beneficiaries”;

17 (B) in subsection (a)(2)(A), by striking
18 “for medicare-eligible beneficiaries”; and

19 (C) in subsection (c), by striking “sub-
20 section (a) shall be paid from funds available
21 for the health care programs” and inserting
22 “subsection (a) and section 1111(c) shall be
23 paid from funds available for the pay of mem-
24 bers of the participating uniformed services

1 under the jurisdiction of the respective admin-
2 istering secretaries”.

3 **SEC. 413. EFFECTIVE DATE.**

4 Except as otherwise provided, this title shall take ef-
5 fect upon enactment with respect to fiscal years beginning
6 after 2008.

7 **Subtitle C—Earmark Transparency**

8 **SEC. 421. PROHIBITION ON OBLIGATION OF FUNDS FOR**
9 **EARMARKS INCLUDED ONLY IN CONGRES-**
10 **SIONAL REPORTS.**

11 (a) REQUIREMENT THAT EARMARKS MUST BE IN
12 LEGISLATIVE TEXT.—Notwithstanding any other rule of
13 the House, in addition to the requirements set forth in
14 clause 9 of rule XXI of the Rules of the House of Rep-
15 resentatives, it shall not be in order to consider any bill,
16 joint resolution, amendment thereto, or conference report
17 thereon, unless the list of congressional earmarks, limited
18 tax benefits, and limited tariff benefits, required by clause
19 9(a) of rule XXI are also set forth in the text of such meas-
20 ure.

21 (b) AVAILABILITY ON THE INTERNET.—Notwith-
22 standing any other rule of the House, in addition to the
23 requirements set forth in clause 9 of rule XXI of the Rules
24 of the House of Representatives, it shall not be in order
25 to consider any bill, joint resolution, or conference report

1 thereon, unless the lists required by paragraphs (1), (2),
2 and (4) of clause 9 of rule XXI are made available on
3 the Internet in a searchable format to the general public
4 for at least 48 hours before consideration.

5 **SEC. 422. DEFINITIONS.**

6 (a) CONGRESSIONAL EARMARK.—For purposes of
7 this subtitle, the term “congressional earmark” means a
8 provision or report language included primarily at the re-
9 quest of a Member, Delegate, Resident Commissioner, or
10 Senator providing, authorizing or recommending a specific
11 amount of discretionary budget authority, credit author-
12 ity, or other spending authority for a contract, loan, loan
13 guarantee, grant, loan authority, or other expenditure
14 with or to an entity, or targeted to a specific State, locality
15 or Congressional district, other than through a statutory
16 or administrative formula-driven or competitive award
17 process.

18 (b) LIMITED BENEFITS.—

19 (1) LIMITED TARIFF BENEFIT.—The term
20 “limited tariff benefit” means any provision of law
21 that modifies the Harmonized Tariff Schedule of the
22 United States in a manner that benefits 10 or fewer
23 entities (as defined in paragraph (12)(B)).

24 (2) LIMITED TAX BENEFIT.—(A) The term
25 “limited tax benefit” means any revenue-losing pro-

1 vision that provides a Federal tax deduction, credit,
2 exclusion, or preference to ten or fewer beneficiaries
3 (determined with respect to either present law or
4 any provision of which the provision is a part) under
5 the Internal Revenue Code of 1986 in any year for
6 which the provision is in effect;

7 (B) For purposes of subparagraph (A)—

8 (i) all businesses and associations that are
9 members of the same controlled group of cor-
10 porations (as defined in section 1563(a) of the
11 Internal Revenue Code of 1986) shall be treat-
12 ed as a single beneficiary;

13 (ii) all shareholders, partners, members, or
14 beneficiaries of a corporation, partnership, asso-
15 ciation, or trust or estate, respectively, shall be
16 treated as a single beneficiary;

17 (iii) all employees of an employer shall be
18 treated as a single beneficiary;

19 (iv) all qualified plans of an employer shall
20 be treated as a single beneficiary;

21 (v) all beneficiaries of a qualified plan shall
22 be treated as a single beneficiary;

23 (vi) all contributors to a charitable organi-
24 zation shall be treated as a single beneficiary;

1 (vii) all holders of the same bond issue
2 shall be treated as a single beneficiary; and

3 (viii) if a corporation, partnership, associa-
4 tion, trust or estate is the beneficiary of a pro-
5 vision, the shareholders of the corporation, the
6 partners of the partnership, the members of the
7 association, or the beneficiaries of the trust or
8 estate shall not also be treated as beneficiaries
9 of such provision;

10 (C) For the purpose of this paragraph, the
11 term “revenue-losing provision” means any provision
12 that is estimated to result in a reduction in Federal
13 tax revenues (determined with respect to either
14 present law or any provision of which the provision
15 is a part) for any one of the two following periods—

16 (i) the first fiscal year for which the provi-
17 sion is effective; or

18 (ii) the period of the 5 fiscal years begin-
19 ning with the first fiscal year for which the pro-
20 vision is effective;

21 (D) the term “limited tax benefit” does not in-
22 clude any provision which applies uniformly to an
23 entire industry; and

24 (E) the terms used in this paragraph shall have
25 the same meaning as those terms have generally in

1 the Internal Revenue Code of 1986, unless otherwise
2 expressly provided.

3 (c) SPECIAL RULE.—Notwithstanding any other pro-
4 vision of the Rules of the House, the definitions set forth
5 in this section shall apply for congressional earmarks, lim-
6 ited tariff benefits, and limited tax benefits.

7 **Subtitle D—Public Debt Limit** 8 **Reform**

9 **SEC. 431. LIMIT ON PUBLIC DEBT.**

10 Section 3101 of title 31, United States Code, is
11 amended to read as follows:

12 **“§ 3101. Public debt limit**

13 “(a) In this section, the current redemption value of
14 an obligation issued on a discount basis and redeemable
15 before maturity at the option of its holder is deemed to
16 be the face amount of the obligation.

17 “(b) The face amount of obligations issued under this
18 chapter and the face amount of obligations whose prin-
19 cipal and interest are guaranteed by the United States
20 Government (except guaranteed obligations held by the
21 Secretary of the Treasury and intragovernmental hold-
22 ings) may not be more than \$4,393,000,000,000 out-
23 standing at one time, subject to changes periodically made
24 in that amount as provided by law.

1 “(c) For purposes of this section, the face amount,
2 for any month, of any obligation issued on a discount basis
3 that is not redeemable before maturity at the option of
4 the holder of the obligation is an amount equal to the sum
5 of—

6 “(1) the original issue price of the obligation,
7 plus

8 “(2) the portion of the discount on the obliga-
9 tion attributable to periods before the beginning of
10 such month (as determined under the principles of
11 section 1272(a) of the Internal Revenue Code of
12 1986 without regard to any exceptions contained in
13 paragraph (2) of such section).

14 “(d) For purposes of this section, the term
15 ‘intragovernment holding’ is any obligation issued by the
16 Secretary of the Treasury to any Federal trust fund or
17 Government account, whether in respect of public money,
18 money otherwise required to be deposited in the Treasury,
19 or amounts appropriated.”.

20 **SEC. 432. REPEAL OF THE GEPHARDT RULE.**

21 The Rules of the House of Representatives are
22 amended by repealing rule XXVII (relating to the statu-
23 tory limit on public debt) and by redesignating rule
24 XXVIII as rule XXVII.

**Subtitle E—Risk-Assumed
Budgeting**

SEC. 441. FEDERAL INSURANCE PROGRAMS.

(a) IN GENERAL.—The Congressional Budget Act of 1974 is amended by adding after title V the following new title:

**“TITLE VI—BUDGETARY TREAT-
MENT OF FEDERAL INSUR-
ANCE PROGRAMS**

“SEC. 602. BUDGETARY TREATMENT.

“(a) PRESIDENT’S BUDGET.—Beginning with fiscal year 2011, the budget of the Government pursuant to section 1105(a) of title 31, United States Code, shall be based on the risk-assumed cost of Federal insurance programs.

“(b) BUDGET ACCOUNTING.—For any Federal insurance program—

“(1) the program account shall—

“(A) pay the risk-assumed cost borne by the taxpayer to the financing account, and

“(B) pay actual insurance program administrative costs;

“(2) the financing account shall—

“(A) receive premiums and other income,

1 “(B) pay all claims for insurance and re-
2 ceive all recoveries,

3 “(C) transfer to the program account on
4 not less than an annual basis amounts nec-
5 essary to pay insurance program administrative
6 costs;

7 “(3) a negative risk-assumed cost shall be
8 transferred from the financing account to the pro-
9 gram account, and shall be transferred from the pro-
10 gram account to the general fund; and

11 “(4) all payments by or receipts of the financ-
12 ing accounts shall be treated in the budget as a
13 means of financing.

14 “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-
15 standing any other provision of law, insurance commit-
16 ments may be made for fiscal year 2011 and thereafter
17 only to the extent that new budget authority to cover their
18 risk-assumed cost is provided in advance in an appropria-
19 tion Act.

20 “(2) An outstanding insurance commitment shall not
21 be modified in a manner that increases its risk-assumed
22 cost unless budget authority for the additional cost has
23 been provided in advance.

24 “(3) Paragraph (1) shall not apply to Federal insur-
25 ance programs that constitute entitlements.

1 “(d) REESTIMATES.—The risk-assumed cost for a
2 fiscal year shall be reestimated in each subsequent year.
3 Such reestimate can equal zero. In the case of a positive
4 reestimate, the amount of the reestimate shall be paid
5 from the program account to the financing account. In
6 the case of a negative reestimate, the amount of the reesti-
7 mate shall be paid from the financing account to the pro-
8 gram account, and shall be transferred from the program
9 account to the general fund. Reestimates shall be dis-
10 played as a distinct and separately identified subaccount
11 in the program account.

12 “(e) ADMINISTRATIVE EXPENSES.—All funding for
13 an agency’s administration of a Federal insurance pro-
14 gram shall be displayed as a distinct and separately identi-
15 fied subaccount in the program account.

16 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**
17 **BUDGETING FOR FEDERAL INSURANCE PRO-**
18 **GRAMS.**

19 “(a) AGENCY REQUIREMENTS.—Agencies with re-
20 sponsibility for Federal insurance programs shall develop
21 models to estimate their risk-assumed cost by year
22 through the budget horizon and shall submit those models,
23 all relevant data, a justification for critical assumptions,
24 and the annual projected risk-assumed costs to OMB with
25 their budget requests each year starting with the request

1 for fiscal year 2010. Agencies will likewise provide OMB
2 with annual estimates of modifications, if any, and reesti-
3 mates of program costs.

4 “(b) DISCLOSURE.—When the President submits a
5 budget of the Government pursuant to section 1105(a) of
6 title 31, United States Code, for fiscal year 2010, OMB
7 shall publish a notice in the Federal Register advising in-
8 terested persons of the availability of information describ-
9 ing the models, data (including sources), and critical as-
10 sumptions (including explicit or implicit discount rate as-
11 sumptions) that it or other executive branch entities would
12 use to estimate the risk-assumed cost of Federal insurance
13 programs and giving such persons an opportunity to sub-
14 mit comments. At the same time, the chairman of the
15 Committee on the Budget shall publish a notice for CBO
16 in the Federal Register advising interested persons of the
17 availability of information describing the models, data (in-
18 cluding sources), and critical assumptions (including ex-
19 plicit or implicit discount rate assumptions) that it would
20 use to estimate the risk-assumed cost of Federal insurance
21 programs and giving such interested persons an oppor-
22 tunity to submit comments.

23 “(c) REVISION.—(1) After consideration of comments
24 pursuant to subsection (b), and in consultation with the
25 Committees on the Budget of the House of Representa-

1 tives and the Senate, OMB and CBO shall revise the mod-
2 els, data, and major assumptions they would use to esti-
3 mate the risk-assumed cost of Federal insurance pro-
4 grams.

5 “(2) When the President submits a budget of the
6 Government pursuant to section 1105(a) of title 31,
7 United States Code, for fiscal year 2011, OMB shall pub-
8 lish a notice in the Federal Register advising interested
9 persons of the availability of information describing the
10 models, data (including sources), and critical assumptions
11 (including explicit or implicit discount rate assumptions)
12 that it or other executive branch entities used to estimate
13 the risk-assumed cost of Federal insurance programs.

14 “(d) DISPLAY.—

15 “(1) IN GENERAL.—For fiscal years 2011,
16 2012, and 2013 the budget submissions of the Presi-
17 dent pursuant to section 1105(a) of title 31, United
18 States Code, and CBO’s reports on the economic
19 and budget outlook pursuant to section 202(e)(1)
20 and the President’s budgets, shall for display pur-
21 poses only, estimate the risk-assumed cost of exist-
22 ing or proposed Federal insurance programs.

23 “(2) OMB.—The display in the budget submis-
24 sions of the President for fiscal years 2011, 2012,
25 and 2013 shall include—

1 “(A) a presentation for each Federal insur-
2 ance program in budget-account level detail of
3 estimates of risk-assumed cost;

4 “(B) a summary table of the risk-assumed
5 costs of Federal insurance programs; and

6 “(C) an alternate summary table of budget
7 functions and aggregates using risk-assumed
8 rather than cash-based cost estimates for Fed-
9 eral insurance programs.

10 “(3) CBO.—In the second session of the 110th
11 Congress and the 111th Congress, CBO shall in-
12 clude in its estimates under section 308, for display
13 purposes only, the risk-assumed cost of existing Fed-
14 eral insurance programs, or legislation that CBO, in
15 consultation with the Committees on the Budget of
16 the House of Representatives and the Senate, deter-
17 mines would create a new Federal insurance pro-
18 gram.

19 “(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not
20 later than 6 months after the budget submission of the
21 President pursuant to section 1105(a) of title 31, United
22 States Code, for fiscal year 2012, OMB, CBO, and GAO
23 shall each submit to the Committees on the Budget of the
24 House of Representatives and the Senate a report that

1 evaluates the advisability and appropriate implementation
2 of this title.

3 “(2) Each report made pursuant to paragraph (1)
4 shall address the following:

5 “(A) The adequacy of risk-assumed estimation
6 models used and alternative modeling methods.

7 “(B) The availability and reliability of data or
8 information necessary to carry out this title.

9 “(C) The appropriateness of the explicit or im-
10 plicit discount rate used in the various risk-assumed
11 estimation models.

12 “(D) The advisability of specifying a statutory
13 discount rate (such as the Treasury rate) for use in
14 risk-assumed estimation models.

15 “(E) The ability of OMB, CBO, or GAO, as ap-
16 plicable, to secure any data or information directly
17 from any Federal agency necessary to enable it to
18 carry out this title.

19 “(F) The relationship between risk-assumed ac-
20 crual budgeting for Federal insurance programs and
21 the specific requirements of the Balanced Budget
22 and Emergency Deficit Control Act of 1985.

23 “(G) Whether Federal budgeting is improved by
24 the inclusion of risk-assumed cost estimates for Fed-
25 eral insurance programs.

1 “(H) The advisability of including each of the
2 programs currently estimated on a risk-assumed cost
3 basis in the Federal budget on that basis.

4 **“SEC. 604. DEFINITIONS.**

5 “For purposes of this title:

6 “(1) The term ‘Federal insurance program’
7 means a program that makes insurance commit-
8 ments and includes the list of such programs in-
9 cluded in the joint explanatory statement of man-
10 agers accompanying the conference report on the
11 Comprehensive Budget Process Reform Act of 1999.

12 “(2) The term ‘insurance commitment’ means
13 an agreement in advance by a Federal agency to in-
14 demnify a non-Federal entity against specified
15 losses. This term does not include loan guarantees
16 as defined in title V or benefit programs such as so-
17 cial security, medicare, and similar existing social in-
18 surance programs.

19 “(3)(A) The term ‘risk-assumed cost’ means the
20 net present value of the estimated cash flows to and
21 from the Government resulting from an insurance
22 commitment or modification thereof.

23 “(B) The cash flows associated with an insur-
24 ance commitment include—

1 “(i) expected claims payments inherent in
2 the Government’s commitment;

3 “(ii) net premiums (expected premium col-
4 lections received from or on behalf of the in-
5 sured less expected administrative expenses);

6 “(iii) expected recoveries; and

7 “(iv) expected changes in claims, pre-
8 miums, or recoveries resulting from the exercise
9 by the insured of any option included in the in-
10 surance commitment.

11 “(C) The cost of a modification is the difference
12 between the current estimate of the net present
13 value of the remaining cash flows under the terms
14 of the insurance commitment, and the current esti-
15 mate of the net present value of the remaining cash
16 flows under the terms of the insurance commitment
17 as modified.

18 “(D) The cost of a reestimate is the difference
19 between the net present value of the amount cur-
20 rently required by the financing account to pay esti-
21 mated claims and other expenditures and the
22 amount currently available in the financing account.
23 The cost of a reestimate shall be accounted for in
24 the current year in the budget of the Government

1 pursuant to section 1105(a) of title 31, United
2 States Code.

3 “(E) For purposes of this definition, expected
4 administrative expenses shall be construed as the
5 amount estimated to be necessary for the proper ad-
6 ministration of the insurance program. This amount
7 may differ from amounts actually appropriated or
8 otherwise made available for the administration of
9 the program.

10 “(4) The term ‘program account’ means the
11 budget account for the risk-assumed cost, and for
12 paying all costs of administering the insurance pro-
13 gram, and is the account from which the risk-as-
14 sumed cost is disbursed to the financing account.

15 “(5) The term ‘financing account’ means the
16 nonbudget account that is associated with each pro-
17 gram account which receives payments from or
18 makes payments to the program account, receives
19 premiums and other payments from the public, pays
20 insurance claims, and holds balances.

21 “(6) The term ‘modification’ means any Gov-
22 ernment action that alters the risk-assumed cost of
23 an existing insurance commitment from the current
24 estimate of cash flows. This includes any action re-
25 sulting from new legislation, or from the exercise of

1 administrative discretion under existing law, that di-
2 rectly or indirectly alters the estimated cost of exist-
3 ing insurance commitments.

4 “(7) The term ‘model’ means any actuarial, fi-
5 nancial, econometric, probabilistic, or other method-
6 ology used to estimate the expected frequency and
7 magnitude of loss-producing events, expected pre-
8 miums or collections from or on behalf of the in-
9 sured, expected recoveries, and administrative ex-
10 penses.

11 “(8) The term ‘current’ has the same meaning
12 as in section 250(c)(9) of the Balanced Budget and
13 Emergency Deficit Control Act of 1985.

14 “(9) The term ‘OMB’ means the Director of
15 the Office of Management and Budget.

16 “(10) The term ‘CBO’ means the Director of
17 the Congressional Budget Office.

18 “(11) The term ‘GAO’ means the Comptroller
19 General of the United States.

20 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**
21 **ACTUARIAL COST ACCOUNT.**

22 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated \$600,000 for each of
24 fiscal years 2008 through 2013 to the Director of the Of-
25 fice of Management and Budget and each agency respon-

1 sible for administering a Federal program to carry out this
2 title.

3 “(b) TREASURY TRANSACTIONS WITH THE FINANC-
4 ING ACCOUNTS.—The Secretary of the Treasury shall bor-
5 row from, receive from, lend to, or pay the insurance fi-
6 nancing accounts such amounts as may be appropriate.
7 The Secretary of the Treasury may prescribe forms and
8 denominations, maturities, and terms and conditions for
9 the transactions described above. The authorities de-
10 scribed above shall not be construed to supersede or over-
11 ride the authority of the head of a Federal agency to ad-
12 minister and operate an insurance program. All the trans-
13 actions provided in this subsection shall be subject to the
14 provisions of subchapter II of chapter 15 of title 31,
15 United States Code. Cash balances of the financing ac-
16 counts in excess of current requirements shall be main-
17 tained in a form of uninvested funds, and the Secretary
18 of the Treasury shall pay interest on these funds.

19 “(c) APPROPRIATION OF AMOUNT NECESSARY TO
20 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-
21 MENTS AT TRANSITION DATE.—(1) A financing account
22 is established on September 30, 2012, for each Federal
23 insurance program.

24 “(2) There is appropriated to each financing account
25 the amount of the risk-assumed cost of Federal insurance

1 commitments outstanding for that program as of the close
2 of September 30, 2012.

3 “(3) These financing accounts shall be used in imple-
4 menting the budget accounting required by this title.

5 **“SEC. 606. EFFECTIVE DATE.**

6 “(a) IN GENERAL.—This title shall take effect imme-
7 diately and shall expire on September 30, 2014.

8 “(b) SPECIAL RULE.—If this title is not reauthorized
9 by September 30, 2014, then the accounting structure and
10 budgetary treatment of Federal insurance programs shall
11 revert to the accounting structure and budgetary treat-
12 ment in effect immediately before the date of enactment
13 of this title.”.

14 (b) CONFORMING AMENDMENT.—The table of con-
15 tents set forth in section 1(b) of the Congressional Budget
16 and Impoundment Control Act of 1974 is amended by in-
17 serting after the item relating to section 507 the following
18 new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE
PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal in-
surance programs.

“Sec. 604. Definitions.

“Sec. 605. Authorizations to enter into contracts; actuarial cost account.

“Sec. 606. Effective date.”.

1 **TITLE V—MAINTAINING A COM-**
2 **MITMENT TO THE FAMILY**
3 **BUDGET**

4 **Subtitle A—Further Enforcement**
5 **Amendments**

6 **SEC. 501. SUPER-MAJORITY POINTS OF ORDER IN THE**
7 **HOUSE OF REPRESENTATIVES AND THE SEN-**
8 **ATE.**

9 (a) Section 904 of the Congressional Budget Act of
10 1974 is amended as follows:

11 (1) In subsection (c)(1), insert “312(g), (h), (i),
12 and (j),” before “313,” and insert “316, 318,
13 319(a)” before “904(c),”.

14 (2) In subsection (c) strike “three-fifths” each
15 place it appears and insert “two-thirds”.

16 (3)(A) In subsection (d)(2), insert “312(g), (h),
17 (i), and (j),” before “313,” and insert “316, 318,
18 319(a)” before “904(c),”.

19 (B) In subsection (d), strike “three-fifths” each
20 place it appears and insert “two-thirds”.

21 (4)(A) In subsections (c)(2) and (d)(3), strike
22 “311(a),”.

23 (B) In subsections (c)(1) and (d)(2) insert
24 “311(a),” after “310(d)(2),”.

1 (5) In subsections (c)(1), (c)(2), (d)(2), and
2 (d)(3) by inserting “or the House of Representa-
3 tives” after “Senate” each place it appears.

4 (6) Strike subsection (e).

5 **SEC. 502. BUDGET RESOLUTION ENFORCEMENT POINT OF**
6 **ORDER.**

7 (a) ENTITLEMENT POINT OF ORDER.—Section 312
8 of the Congressional Budget Act of 1974 (as amended by
9 section 221(d)) is further amended by adding at the end
10 the following new subsection:

11 “(j) BUDGET RESOLUTION ENFORCEMENT POINT OF
12 ORDER.—It shall not be in order in the House of Rep-
13 resentatives or the Senate to consider any joint resolution
14 on the budget for a fiscal year, or amendment thereto or
15 conference report thereon, that—

16 “(1) is not consistent with the discretionary
17 spending limits set forth in section 251(b) of the
18 Balanced Budget and Emergency Deficit Control
19 Act of 1985; or

20 “(2) provides for an increase in the aggregate
21 level of direct spending for the fiscal year of the res-
22 olution or any ensuing fiscal year included in such
23 resolution.”.

1 **SEC. 503. POINT OF ORDER WAIVER PROTECTION.**

2 Rule XIII of the Rules of the House of Representa-
3 tives (as amended by section 313) is further amended by
4 adding at the end the following new clause:

5 “10. (a) It shall not be in order to consider a rule
6 or order that would waive the provisions of any section
7 of the Congressional Budget Act of 1974 referred to in
8 section 904(c)(1) of such Act or of section 302 of the
9 Family Budget Protection Act of 2007.

10 “(b) As disposition of a point of order under para-
11 graph (a), the Chair shall put the question of consider-
12 ation with respect to the proposition that is the subject
13 of the point of order. A question of consideration under
14 this clause shall be debatable for 10 minutes by the Mem-
15 ber initiating the point of order and for 10 minutes by
16 an opponent of the point of order, but shall otherwise be
17 decided without intervening motion except one that the
18 House adjourn or that the Committee of the Whole rise,
19 as the case may be.

20 “(c) The disposition of the question of consideration
21 under this clause with respect to a bill or joint resolution
22 shall be considered also to determine the question of con-
23 sideration under this clause with respect to an amendment
24 made in order as original text.”.

1 **Subtitle B—The Byrd Rule**

2 **SEC. 511. LIMITATION ON BYRD RULE.**

3 (a) PROTECTION OF CONFERENCE REPORTS.—Sec-
4 tion 313 of the Congressional Budget Act of 1974 is
5 amended—

6 (1) in subsection (b)(1), by striking subpara-
7 graph (E) through the semicolon at the end thereof
8 and by redesignating subparagraph (F) as subpara-
9 graph (E);

10 (2) in subsection (c), by striking “and again
11 upon the submission of a conference report on such
12 a reconciliation bill or resolution,”;

13 (3) by striking subsection (d);

14 (4) by redesignating subsection (e) as sub-
15 section (d); and

16 (5) in subsection (e), as redesignated—

17 (A) by striking “, motion, or conference re-
18 port” the first place it appears and inserting “,
19 or motion”; and

20 (B) by striking “, motion, or conference re-
21 port” the second and third places it appears
22 and inserting “or motion”.

23 (b) CONFORMING AMENDMENT.—The first sentence
24 of section 312(e) of the Congressional Budget Act of 1974

1 is amended by inserting “, except for section 313,” after
2 “Act”.

3 **Subtitle C—Treatment of Extra-**
4 **neous Appropriations in Omni-**
5 **bus Appropriation Measures**

6 **SEC. 521. TREATMENT OF EXTRANEOUS APPROPRIATIONS.**

7 (a) IN GENERAL.—Title III of the Congressional
8 Budget Act of 1974 (as amended by section 127(a)) is
9 further amended by adding at the end the following new
10 section:

11 “TREATMENT OF EXTRANEOUS APPROPRIATIONS IN
12 OMNIBUS APPROPRIATION MEASURES

13 “SEC. 319. (a) POINT OF ORDER.—It shall not be
14 in order in the House of Representatives or the Senate
15 to consider an omnibus appropriation measure, or any
16 amendment thereto or conference report thereon, that ap-
17 propriates funds for any program, project, or activity that
18 is not within the subject-matter jurisdiction of any sub-
19 committee of the Committee on Appropriations of the
20 House of Representatives or Senate, as applicable, with
21 jurisdiction over any regular appropriation bill contained
22 in such measure.

23 “(b) DEFINITIONS.—As used in this section:

24 “(1) The term ‘omnibus appropriation measure’
25 means any bill or joint resolution making continuing

1 appropriations for a fiscal year and that is com-
2 prised of more than one regular appropriation bills.

3 “(2) The term ‘regular appropriation bill’
4 means any annual appropriation bill making appro-
5 priations, otherwise making funds available, or
6 granting authority, for any of the following cat-
7 egories of projects and activities:

8 “(A) Agriculture, rural development, Food
9 and Drug Administration, and related agencies
10 programs.

11 “(B) The Department of Defense.

12 “(C) Energy and water development, and
13 related agencies.

14 “(D) State, foreign operations, and related
15 programs.

16 “(E) The Department of Homeland Secu-
17 rity.

18 “(F) The Department of the Interior, En-
19 vironmental Protection Agency, and related
20 agencies.

21 “(G) The Departments of Labor, Health
22 and Human Services, and Education, and re-
23 lated agencies.

24 “(H) Military construction, veterans af-
25 fairs, and related agencies.

1 “(I) Science, the Departments of State,
2 Justice, and Commerce, and related agencies.

3 “(J) The Departments of Transportation,
4 Housing and Urban Development, and related
5 agencies.

6 “(K) The Legislative Branch.

7 “(L) Financial services and general gov-
8 ernment.”.

9 (b) CONFORMING AMENDMENT.—The table of con-
10 tents set forth in section 1(b) of the Congressional Budget
11 and Impoundment Control Act of 1974 is amended by in-
12 serting after the item relating to section 318 the following
13 new item:

 “Sec. 319. Treatment of extraneous appropriations in omnibus appropriation
 measures.”.

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